

# **GUJARAT ELECTRICITY REGULATORY COMMISSION**



## **Tariff Order**

Truing up for FY 2018-19

and

Determination of Tariff for FY 2020-21

**For**

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

**Case No. 1837 of 2019**

**26<sup>th</sup> March, 2020**

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सत्यमेव जयते

**GUJARAT ELECTRICITY REGULATORY COMMISSION  
(GERC)**

**GANDHINAGAR**

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## ABBREVIATIONS

ABT	Availability Based Tariff
Act	Electricity Act, 2003
A&G	Administration and General
ARR	Aggregate Revenue Requirement
ATC	Annual Transmission Charges payable by Long-Term user or Medium-Term user of the transmission system
CAPEX	Capital Expenditure
CC	Capacity Contracted in MW
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckt-Km	Circuit Kilometre
CoD	Commercial Operation Date
COH	Capital Overhauling
DISCOMs	Distribution Companies
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GoI	Government of India
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HVDC	High Voltage Direct Current
IPP	Independent Power Producer
kCal	Kilo Calorie
KV	Kilo Volt
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
MCLR	Marginal Cost of Funds based Lending Rate
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
OEM	Original Equipment Manufacturer
PPA	Power Purchase Agreement
R&M	Renovation & Modernization
RE	Renewable Energy
RoE	Return on Equity
SCC	Sum of Capacities contracted in MW by all Long-Term users and Medium-Term Users of the Transmission System
Scm	Standard cubic meter
SLDC	State Load Despatch Centre
TC (Rs. /MW/Day)	Transmission Charges payable by the Short-Term user of the Transmission System
TC (Rs. /kWh)	Transmission Charges payable in the case of Short-Term collective transactions through power exchanges
Wt. Avg.	Weighted Average





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

**Case No. 1837 of 2019**

**Date of the Order: 26<sup>th</sup> March, 2020**

**CORAM**

Shri Anand Kumar, Chairman

Shri P. J. Thakkar, Member

**ORDER**



## **1 Background and Brief History**

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### **1.1 Background**

Gujarat Energy Transmission Corporation Limited (hereinafter referred to as “GETCO” or the “Petitioner”) has on 29<sup>th</sup> November, 2019 filed the present Petition under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 for the Truing up for FY 2018-19 and Determination of Tariff for FY 2020-21.

Gujarat Electricity Regulatory Commission (hereinafter referred to as ‘GERC’ or the ‘Commission’) notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29<sup>th</sup> March, 2016 which is applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> April, 2016 onwards.

Regulation 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2018-19, revenue from the sale of power at existing tariffs and charges for the ensuing year (FY 2020-21), revenue gap or revenue surplus for the ensuing year calculated based on Aggregate Revenue Requirement approved in the MYT Order and truing up for the previous year (FY 2018-19), application for determination of tariff for the ensuing year (FY 2020-21) to be carried out under the GERC (Multi-Year Tariff) Regulations, 2016 and amendments thereof from time to time.

After technical validation of the Petition, it was registered on 4<sup>th</sup> December, 2019 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

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

Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1<sup>st</sup> April, 2005. The Generation, Transmission and Distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor companies as listed below:

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

Four Distribution Companies, namely:

- Dakshin Gujarat Vij Company Limited (DGVCL)



- Madhya Gujarat Vij Company Limited (MGVCL)
- Paschim Gujarat Vij Company Limited (PGVCL)
- Uttar Gujarat Vij Company Limited (UGVCL); and
- Gujarat Urja Vikas Nigam Limited (GUVNL) – A Holding Company of above named six subsidiary companies, responsible for bulk purchase of electricity from various sources and bulk supply to Distribution Companies.

The Government of Gujarat vide Notification dated 3<sup>rd</sup> October, 2006 notified the final opening balance sheets of the transferee companies as on 1<sup>st</sup> April, 2005, containing the value of assets and liabilities, which stand transferred from the erstwhile Gujarat Electricity Board to the transferee companies, including Gujarat Energy Transmission Corporation Limited (GETCO).

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, Government of India, Ministry of Power, has initiated steps to de-link the National and Regional / State Load Despatch Centre from the Central Transmission Utility (CTU) / State Transmission Utility (STU).

### **1.3 Commission's Order for approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of Tariff for FY 2017-18**

The Commission vide its Order dated March 31, 2017 in Petition No. 1620 of 2016 has approved the final ARR for FY 2016-17 and Multi-Year ARR for the Control Period from FY 2016-17 to FY 2020-21 and Tariff for FY 2017-18.

### **1.4 Commission's Order for approval of True-up of FY 2016-17 and Determination of Tariff for FY 2018-19**

The Petitioner filed its Petition for Truing up for FY 2016-17 and determination of Tariff for FY 2018-19 on 30<sup>th</sup> November, 2017. The Petition was registered on 11<sup>th</sup> December, 2017 (under Case No. 1692 of 2017). The Commission vide order dated 31<sup>st</sup> March, 2018 approved the Truing up for FY 2016-17 and determined the Tariff for FY 2018-19.

### **1.5 Commission's Order for approval of True up of FY 2017-18 and Determination of tariff for FY 2019-20**

The Petitioner filed its Petition for Truing up for FY 2017-18 and Determination of tariff for FY 2019-20 on 29<sup>th</sup> November, 2018. The Petition was registered on 4<sup>th</sup> December,



2018 (under Case No. 1757 of 2018). The Commission vide Order dated 24<sup>th</sup> April, 2019 approved the Truing up for FY 2017-18 and determined the Tariff for FY 2019-20.

## **1.6 Background of the present Petition**

The Commission has notified the GERC (MYT) Regulations, 2016 for the Control Period from FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of Tariff for the Generating Company, Transmission Licensee, SLDC Distribution Wire Business and Retail Supply Business, for each financial year within the Control Period, based on the approved forecast and results of the truing up exercise.

## **1.7 Registration of the current Petition and Public Hearing Process**

The Petitioner submitted the current Petition for Truing up for FY 2018-19 and Determination of Tariff for FY 2020-21 on 29<sup>th</sup> November, 2019. After technical validation of the Petition, it was registered on 4<sup>th</sup> December, 2019 (Case No. 1837 of 2019) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with the Tariff Order.

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

The Public Notice, inviting objections / suggestions from its stakeholders on the Petition filed by it, was published in the following newspapers:

**Table 1-1: List of Newspapers in which Public Notice was published by the Petitioner**

<b>Sl. No.</b>	<b>Name of Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
1	The Indian Express	English	14/12/2019
2	Sandesh	Gujarati	14/12/2019



The Petitioner also placed the public notice and the Petition on its website ([www.getcoqujarat.com](http://www.getcoqujarat.com)), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 13<sup>th</sup> January, 2020.

The Commission also placed the petition and additional details received subsequently from the Petitioner on its website ([www.gercin.org](http://www.gercin.org)) for information and study for all the stakeholders.

The Commission also issued a notice for Public Hearing in the following newspapers in order to solicit wider participation by the stakeholders:

**Table 1-2: List of Newspapers**

Sl. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	04/02/2020
2	Divya Bhaskar	Gujarati	05/02/2020
3	Sandesh	Gujarati	05/02/2020

The Commission received objections / suggestions from consumers / consumer organizations as shown in the Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for Public Hearing for the Petition on 12<sup>th</sup> February, 2020 at the Commission's Office, Gandhinagar, on 15<sup>th</sup> February, 2020 at GNFC Training Centre at Bharuch and on 18<sup>th</sup> February, 2020 at PGVCL Corporate Office at Rajkot. Subsequently, a communication was sent to the objectors to take part in the Public Hearing process for presenting their views in person before the Commission.

The status of stakeholders who submitted their written suggestion / objections, those who remained present in the Public Hearings, those who could not attend the Public Hearings and those who made oral submissions are given in the Table below:

**Table 1-3: List of Stakeholders**

Sl. No.	Name of Newspaper	Written Submission	Oral Submission	Present on the day of Public hearing
1	Chirpal Poly Films Limited	Yes	Yes	Yes
2	The Chamber of Commerce & Industry-KUTCH	Yes	Yes	Yes



Sl. No.	Name of Newspaper	Written Submission	Oral Submission	Present on the day of Public hearing
3	Electric Power Transmission Association	Yes	No	No
4	Laghu Udyog Bharati – Gujarat	Yes	Yes	Yes
5	Torrent Power Limited	Yes	Yes	Yes
6	Utility Users' Welfare Association (UUWA)	Yes	Yes	Yes

A short note on the main issues raised by the Objectors in the submissions in respect of the Petition, along with the response of GETCO and the Commission's views on the response, are briefly given in Chapter 3.

### 1.8 Contents of this Order

The Order is divided into Six Chapters as under: -

- (a) The **First Chapter** provides the background of the Petitioner, the Petition and details of the Public Hearing process and the approach adopted for this Order;
- (b) The **Second Chapter** outlines the summary of GETCO's petition;
- (c) The **Third Chapter** provides a brief account of the Public Hearing process, including the objections raised by various stakeholders, GETCO's response and the Commission's views on the response;
- (d) The **Fourth Chapter** deals with the Truing up for FY 2018-19;
- (e) The **Fifth Chapter** deals with the determination of Tariff for FY 2020-21;
- (f) The **Sixth Chapter** deals with the compliance of directives.

### 1.9 Approach of this Order

The GERC (MYT) Regulations, 2016 provide for Truing up of the previous year and determination of Tariff for the ensuing year. GETCO has approached the Commission with the present Petition for Truing up for FY 2018-19 and determination of tariff for FY 2020-21.

The Commission has undertaken Truing up for FY 2018-19, based on the submissions of the Petitioner. The Commission has undertaken the computation of Gains and Losses for FY 2018-19, based on the audited annual accounts.





While Truing up for FY 2018-19, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for FY 2018-19 has been considered, based on the GERC (MYT) Regulations, 2016.

The Commission has determined Tariff for FY 2020-21 as per the GERC (MYT) Regulations, 2016 and its amendments thereof.



## 2 Summary of GETCO Petition for True-up of FY 2018-19 and Determination of Tariff for FY 2020-21

### 2.1 Summary of GETCO's Petition

This Chapter highlights the summary of the Petition for True-Up of FY 2018-19 and Determination of Tariff for FY 2020-21.

### 2.2 True-Up of FY 2018-19

GETCO submitted the Petition on 29<sup>th</sup> November, 2019 seeking approval of Truing up of ARR for FY 2018-19. GETCO has worked out its Aggregate Revenue Requirement (ARR) for FY 2020-21 as a part of the True-up of FY 2018-19. GETCO has presented the actual cost components based on audited annual accounts for FY 2018-19. A summary of the proposed ARR for Truing up for FY 2018-19 compared with the approved final ARR for FY 2018-19 in the MYT Order dated 31<sup>st</sup> March, 2017 is presented in the Table below:

**Table 2-1: Summary of Truing up for FY 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Deviation
1	Operation & Maintenance Expenses	1556.19	1,382.58	173.61
2	Depreciation	1132.95	1,011.56	121.39
3	Interest & Finance Charges	596.86	548.23	48.63
4	Interest on Working Capital	77.64	71.36	6.28
5	Return on Equity	846.67	835.61	11.06
6	Exceptional Items	-	365.77	(365.77)
7	Total Fixed Costs	4,210.31	4215.11	(4.80)
8	Add: Provision for Tax	64.62	151.74	(87.12)
9	Total Transmission Charges	4,274.93	4,366.84	(91.91)
10	Less: Expenses Capitalized	194.13	257.11	(62.98)
11	Less: Non-Tariff Income	331.37	320.75	10.62
12	Add: Incentive for Target Availability	-	35.39	(35.39)
<b>13</b>	<b>Aggregate Revenue Requirement</b>	<b>3,749.42</b>	<b>3,824.38</b>	<b>(74.95)</b>

Summary of the Gain/(Loss) due to allocation to Controllable & Uncontrollable factors are outlined in the Table below:



**Gujarat Energy Transmission Corporation Limited**  
**Truing Up for FY 2018-19 and Determination of Tariff for FY 2020-21**

**Table 2-2: Summary of Controllable & Uncontrollable Factors submitted by GETCO**

(Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Operation & Maintenance Expenses	1,556.19	1,382.58	322.98	(149.37)
2	Depreciation	1,132.95	1,011.56		121.39
3	Interest & Finance Charges	596.86	548.23		48.63
4	Interest on Working Capital	77.64	71.36		6.28
5	Return on Equity	846.67	835.61		11.06
6	Exceptional Items	-	365.77		(365.77)
7	ARR (1 to 6)	4,210.31	4,215.11	322.98	(327.78)
8	Add: Provision for Tax	64.62	151.74		(87.12)
9	Less: Non-Tariff Income	331.37	320.75		10.62
10	Add: Incentive for Target Availability	-	35.39		(35.39)
11	Less: Expenses Capitalized	194.13	257.11		(62.98)
<b>12</b>	<b>Total ARR</b>	<b>3,749.42</b>	<b>3,824.38</b>	<b>322.98</b>	<b>(397.93)</b>
13	Net Gain / (Loss) on account of Controllable/ Uncontrollable Factors			322.98	(397.93)
14	Gain on account of Controllable Factors to be passed on to Consumer (1/3 x 322.98)			107.66	
15	Losses on account of Uncontrollable Factors to be passed on to Consumer				(397.93)

Based on the above sharing of Gain and Loss, the Petitioner has claimed the following Gap for FY 2018-19.

**Table 2-3: Gap for FY 2018-19, as submitted by GETCO (Rs. Crore)**

Sr. No.	Particulars	Amount
1	Gain / (Loss) on account of Uncontrollable Factors to be passed on to Beneficiaries for FY 2018-19	(397.93)
2	Gain / (Loss) on account of Controllable Factors to be passed on to Beneficiaries (1/3rd of Total Gain / (Loss)) for FY 2018-19	107.66
3	<b>Total Gain/ (Loss) of the True-up of FY 2018-19 to be addressed in the determination of Tariff for FY 2020-21</b>	<b>(290.27)</b>



### 2.3 Tariff for FY 2020-21

In accordance with provisions of the GERC (MYT) Regulations, 2016, ARR for FY 2020-21 as approved in the Order dated 31<sup>st</sup> March, 2017 is as follows:

**Table 2-4: ARR for FY 2020-21, as submitted by GETCO (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order
1	Operation & Maintenance Expenses	1,882.18
2	Depreciation	1,355.67
3	Interest & Finance Charges	618.80
4	Interest on Working Capital	93.39
5	Return on Equity	1,013.02
<b>6</b>	<b>Total Fixed Costs</b>	<b>4,963.06</b>
7	Less: Expenses Capitalized	194.13
8	Add: Provision for Tax	64.62
9	Total Transmission Charges	4,833.55
10	Less: Non-Tariff Income	331.37
<b>11</b>	<b>Aggregate Revenue Requirement</b>	<b>4,502.18</b>

GETCO has calculated the Transmission Tariff for FY 2020-21 after applying the Gap of FY 2018-19 as follows:

**Table 2-5: ARR for FY 2020-21 after adjustment of past Gaps as submitted by GETCO (Rs. Crore)**

Sr. No.	Particulars	FY 2020-21
1	Approved Aggregate Revenue Requirement for FY 2020-21 vide the MYT Order dated 31 <sup>st</sup> March, 2017	4,502.18
2	Add/(Less): Revenue Gap/(surplus) for FY 2018-19	290.27
3	Add/(Less): Loss due to recovery of ARR for FY 2019-20 from 1 <sup>st</sup> May, 2019.	7.48
4	ARR after considering Gap of True-up of FY 2018-19	4,799.93
5	Total MW allocation	28,662.07
6	Transmission Tariff (Rs/MW/day)	4,588.11

Further, GETCO has proposed to allow recovery of transmission charges at 41.53 Paisa/kWh for all types of Short-Term transactions



Further, GETCO requested to revise the rate of Reactive Energy Charges for all renewable sources i.e., Wind, Solar, Biomass, Bagasse, Mini Hydro, MSW, etc. as shown in the Table below:

**Table 2-6: Reactive Energy Charges as submitted by GETCO**

<b>Sr. No.</b>	<b>Particulars</b>	<b>FY 2020-21</b>
1	For the drawl of reactive energy at 10% or less of the net energy exported	25 paisa/kVARh
2	For the drawl of reactive energy at more than 10% of the net energy exported	50 paisa/kVARh

## **2.4 Request of GETCO**

- (a) To admit this Petition seeking True-up of FY 2018-19 and Determination of Tariff for FY 2020-21;
- (b) To approve the True-up of FY 2018-19 and allow sharing of Gains/Losses with the Consumers as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2016;
- (c) To approve incentive on availability for FY 2018-19 as prayed;
- (d) To approve Transmission Tariff for FY 2020-21;
- (e) To grant any other relief as the Commission may consider appropriate;
- (f) To allow further submissions, addition and alteration to this Petition as may be necessary from time to time;
- (g) Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case.



### 3 Brief outline of objections raised, response from GETCO and Commission's View

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#### 3.1 Public Response to the Petition:

In response to the public notice inviting objections / suggestions on the Petition filed by GETCO for Truing up for FY 2018-19 and determination of Tariff for FY 2020-21 under the GERC (MYT) Regulations, 2016 from the stakeholders, a number of consumers / consumer organizations filed their objections / suggestions in writing. Most of these objectors participated in the Public Hearing also.

The Commission has considered the objections/suggestions relevant to the present Petition and the response of GETCO on the same.

The objections / suggestions by the consumers / consumers organizations, the response from the Petitioner and the views of the Commission are dealt with hereunder:

#### 3.2 Issue-wise Submissions and Replies:

##### Issue No. 1: Approval of Capitalisation

Regulation 34 of the GERC (MYT) Regulations, 2016 provides that the assets which have been part of project but have not been "put to use" will not be considered for capitalisation. Also, the assets which are not "in use" shall be taken out from the capital cost. Sub-regulation 34.2 provides that the Commission shall carry out prudence check before approving the capital cost.

The Commission in the MYT Order dated March 31, 2017 had approved the Capital Expenditure as proposed by GETCO for the entire Control Period without prudence check. The Commission has approved capitalisation based on thumb rule of 80% of Capital Expenditure approved for the year. In the past order, the Commission directed GETCO to carry out Cost Benefit Analysis for each of the proposed asset. The Commission approved the Capex for the relevant period only after satisfying itself that the Capex is essentially required and the same has been recorded in the Commission's Tariff Order for FY 2012-13.

Further, the Objector made the following objections on the approach adopted for approval of capitalisation for FY 2017-18 in the Tariff Order dated April 24, 2019:

- (a) GETCO had claimed an additional Capitalisation of Rs. 120 Crore for 400 kV S/s at Sanand, which has been commissioned during FY 2017-18. This substation has



been created by LILO of one circuit of 400 kV D/C line between Kosamba and Chorania. As per the CEA Report on Substations and Transmission Lines completed, the works for this substation were completed in March, 2018 and LILO of line has been completed in June, 2018. This substation has not figured in the list provided by GETCO showing maximum loading on substation up to September, 2019. Therefore, it is clear that the works of Sanand 400 kV substation had been completed in March, 2018 and had not been "put to use" for which the Commission allowed capitalisation of Rs.120 Crore.

- (b) In the MYT Order dated March 31, 2017, the Commission had directed GETCO to take prior approval before deviating from approved Capex. However, GETCO had claimed that there had been excess Capex of about Rs. 301 Crore on account for 66 KV substations and Rs. 209 Crore against 66 kV lines. The Commission has approved these amounts without asking any explanation from GETCO.
- (c) Further, GERC had approved Rs.153 Crore for 66 kV lines in the MYT Order. As against this, GETCO had incurred an expenditure of Rs.361.67 Crore, primarily on account of use of underground cables instead of overhead lines and the Commission has approved the same without asking any work-wise justification. The Commission has stated that cost of underground cable incurred by GETCO was Rs.1.9 Crore per km as against cost of overhead lines was considered at Rs.17 Lakh per km. GETCO did not take any prior approval from the Commission before incurring this expenditure and the Commission did not ask GETCO while approving the same.

It is further submitted that, during FY 2018-19, GETCO has incurred capitalisation of Rs. 2918.14 Crore as against approved amount of Rs. 2205.98 Crore, thereby seeking approval of additional capitalisation of Rs. 712.16 Crore. GETCO has not provided details of the works capitalised during the year. GETCO may also be directed to furnish maximum power flow on these works during the year to verify that works have been put to use.

As regards the Sub-stations, GETCO submitted that it has added one 400 kV S/s and five 220 kV S/s. However, as per the CEA's report, GETCO has added 2<sup>nd</sup> ICT at Sanand S/s and augmented transformation capacity at Keshod S/s. No new 400 kV S/s was added by GETCO. Further, two 220 kV S/s were added by GETCO as per the CEA's report. Also, the CEA's report mentioned that GETCO has carried out augmentation works at 19 nos. of 220 kV S/s.



As regards Transmission Lines, GETCO has claimed that 415 Ckt-Km of 400 kV lines and 550 Ckt-Km of 220 kV line were added during FY 2018-19. As per the CEA's report, 115 Ckt-Km of 440 kV line and 481 Ckt-Km of 220 kV line were added.

The Commission is requested to approve capitalisation after due prudence check and reduce burden on consumers.

### **Response of GETCO**

The details of Capex schemes commissioned and capitalized during FY 2018-19 are as under:

<b>A</b>	<b>Substations</b>	<b>Amount in Rs. Crore</b>
	66 kV	502.92
	132 kV	6.41
	220 kV	161.44
	400 kV	334.73
	Total (A)	1005.51
<b>B</b>	<b>Transmission Lines</b>	
	66 kV	450.66
	132 kV	16.87
	220 kV	304.69
	400 kV	285.07
	Total (B)	1057.29
<b>C</b>	<b>Other Fixed Assets</b>	
	Land	29.04
	Building	21.73
	Hydraulic Work	1.01
	Other Civil Work	79.22
	Plant and Machinery	647.51
	Line and Cable	72.83
	Vehicles and Furniture	0.34
	Office Equipment	3.66
	<b>Total (C)</b>	<b>855.34</b>
	<b>Grand Total (A+B+C)</b>	<b>2918.14</b>

Further, GETCO submitted that the assets which are not *put to use* are not capitalised and are not included the capitalisation claimed in the Petition.

Transmission network manage peak demand of 18424 MW and minimum demand of 7829 MW without hampering quality of power. Further, GETCO is creating 66 kV substations as per requirement proposed by DISCOMs. DISCOMs have proposed 66 kV substations considering future load growth, voltage regulation issues during peak





load, recorded load on 11 kV feeders, length of 11 kV feeders, etc. The location and priority for constructing of 66 kV sub-station is being decided as per DISCOMs requirement. As far as transmission system of EHV class (132 kV and above) is concerned, the planning has been done as per CEA transmission planning criteria and to fulfill N-1 & N-1-1 contingency criteria. Future load growth, generation capacity addition from different sources, seasonal variation in demand as well as generation pattern needs to be factored. Also, space constraints, availability of corridors, RoW issues and future requirements are to be considered. The loading on each transmission elements is purely based on availability of generation resources for a particular time to cater the demand. GETCO network is handling demand variation of around 5200 MW, wind generation variation of around 3900 MW for some typical days along with daily solar power generation variation of around 2000 MW. The Petitioner submitted the details of Averages & Peak loading of various substations, Important EHV Transmission Elements Loading, Transmission lines running in overload condition for more than two times in a calendar month and Area-wise transmission constraints along with corresponding planned network submitted along with the Petition.

### **Commission's View**

The Commission noted the objections regarding the approval of capitalisation in the Tariff Order dated April 24, 2019. As regards the capitalisation claimed for FY 2018-19, the Commission has sought relevant details from GETCO and has undertaken necessary prudence check. The Commission has analysed the scheme-wise capitalisation and also based on power flow. The Commission has disallowed certain capitalisation and subsequently addition of number of bays and transmission line length based on prudence check. As regards the capitalization of Rs. 120 Cr. for 400 kV S/S at Sanand, that has been commissioned during FY 2017-18, it is noted that most of its sections were commissioned in FY 2018-19. The Commission has taken it seriously as all the information with respect to ARR exercise for the Petitioner is taken on affidavit. The licensee is expected to give all the facts before the Commission so that proper exercise of prudence is carried out. This is the first time that such issue has come up before the Commission and it is a matter of time value of money. Therefore, the licensee is directed to exercise extreme caution and attend all the filings with great care and attention to detail in future. The Petitioner is also directed to submit the details of actual power flow with time and date for all sections of 'put to use' assets to get pass through in the tariff. The detailed analysis of issue and rulings of the Commission is provided in Chapter 4 of this Order.



**Issue No. 2: O&M Expenses**

The Commission had been relying on Electrical Inspector's Certificate to allow capitalisation and resultant O&M expenses based on bays and transmission line length. It is important to note that Electrical Inspector certifies safety norms. However, Hon'ble Supreme Court in the matter of 400 kV Barh-Balia D/C line had ordered that certificate of the Electrical inspector cannot be held as proof of asset being 'put to use'. The Commission must get proof from GETCO that the asset has been put to use by directing the GETCO to provide maximum flows on the assets added during the year.

As regards the number of bays for which GETCO has claimed O&M Expenses, the Commission should get verified the number of bays in use by Independent Consultant through actual site visits. The same practice is adopted by Maharashtra Electricity Regulatory Commission by appointing an independent Consultant to verify the actual number of bays in operation, which resulted in reduction of O&M Expenses of the utilities.

Further, Regulation 68.2 is silent on the methodology to be adopted for providing O&M Expenses for the assets commissioned during the year. The Commission had averaged the assets commissioned during the year and worked out normative O&M expenses for the assets commissioned during the year. This methodology is acceptable where commissioning of assets is spread out uniformly throughout the year. However, this methodology would not be appropriate if the commissioning of the assets is concentrated either towards the beginning or at the end of the year. As per CEA annual reports for March, 2018 and March, 2019 giving details of transmission lines and substations commissioned during the year, it is found that most of the assets were commissioned during tail end of respective year.

GETCO has claimed Rs.53.54 Crore as impact of the 7<sup>th</sup> Pay Commission. As the recommendations of the 7<sup>th</sup> Pay Commission had been accepted and implemented in the State during year FY 2016-17 and Commission has already taken cognisance of the same in its last Tariff Order. Pay outs to employees during FY 2018-19 have already been included in Employees Expenses of Rs 925.70 Crore and there is no reason to allow additional Rs.53.54 Crore towards impact of the 7<sup>th</sup> Pay Commission unless same are actually incurred as arrears to employees.

**Response of GETCO**

The O&M Expenses have been computed on the basis of average of Transmission line (Ckt-Km) and average number of bays during FY 2018-19 in accordance with Regulation



68.2.1 of the GERC (MYT) Regulations, 2016. And same has been submitted in Section 3.13 of the current Tariff Petition.

While approving the true-up of ARR for FY 2015-16, FY 2016-17 and FY 2017-18, GERC had excluded the provision made by GETCO in the Employee Cost in the respective financial year. The Commission in Case No.1692 of 2017 dated 31.03.2018 removed the provision amount from the total Employee Expenses while truing up of the ARR to arrive at the admissible Employee Expenses. Further, the impact in Employee Expenses due to revision in salary should have been considered by the Commission after prudence check as an uncontrollable factor in the year in which the actual pays out occurs. This practice of the commission was consistently followed for the true up of ARR for FY 2015-16, FY2016-17 and FY 2017-18.

As the commission is allowing effect the 7<sup>th</sup> pay commission in the Employee Cost based on the actual made in the respective year and not on the provision made, GETCO has deducted the provision of Rs.71.51 Crore made of the 7<sup>th</sup> pay commission in FY 2018-19 in the Employee Cost and has added the payment of Rs.129.79 Crore made on account of the 7<sup>th</sup> pay commission in FY 2018-19 in the Employee Expenses.

### **Commission's View**

The Commission has approved Normative O&M Expenses based on number of bays and transmission line length. As the norms for O&M are derived on the basis of average number of bays and transmission line length, the same has been considered while applying the norms. The addition of number of bays and transmission line length has been considered after due prudence check of the capitalisation for FY 2018-19 as per the present provisions of the Regulations.

The Commission is of opinion that, at present, details received under affidavit with load flow data is sufficient for prudence check. Further, the Commission may consider the option for the Third-Party Verification of capitalised assets, number of bays and transmission line length in coming years, if required so.

As regards the impact of the 7<sup>th</sup> Pay Commission, the relevant details have been sought from GETCO. The impact has been considered based on actual pay out. The detailed analysis and rulings of the Commission is provided in Chapter 4 of this Order.

### **Issue No. 3: Income Tax**

GETCO has claimed an amount of Rs.151.74 Crore towards Income Tax as against approved amount of Rs. 64.62 Crore i.e. an increase of Rs. 87.12 Crore. The main



component of GETCO's income from regulated business is Return on Equity. GETCO has claimed RoE of Rs. 835.61 Crore as against approved amount of Rs 846.67 Crore. In other words, GETCO has claimed RoE lesser than approved by the Commission. Income tax cannot be more than doubled from approved amount when GETCO's claim on RoE is less than approved amount. It might be case that GETCO has paid income tax on income from other businesses and claimed the same in regulated business. It is requested to carry out a detailed examination of the claim.

Regulation 41 of the GERC (MYT) Regulations, 2016 provides that actual income tax paid by GETCO on the income earned from regulated business only would be allowed to pass through in the tariff. It might consist of tax on income from other business i.e. unregulated businesses. The Commission while undertaking the exercise of truing up for FY 2017-18 took into consideration the total tax paid by GETCO of Rs.123.37 Crore. The said amount was computed by the Commission after arriving at the net tax for FY 2017-18 amounting to Rs.116.05 (Actual Tax paid for FY 2017-18 was Rs.118.03 Crore, Rs.1.99 Crores tax paid for SLDC in FY 2017-18). In the said Order, the Commission did not certify that GETCO did not earn from other business or tax approved by the Commission to pass through did not contain any element from tax on other business. Further, GERC while computing the income tax for FY 2017-18 considered the provisional entries for income tax in the books of GETCO instead of actual income tax paid by it. Therefore, the Commission is requested to undertake prudence check before allowing income tax.

### **Response of GETCO**

GETCO has been claiming Income Tax based on actual payment made by GETCO to Income Tax Authorities in the respective financial year and not based on provision of income tax booked. GETCO claimed Income Tax based on the GERC methodology as specified in Regulation 41 of the GERC (MYT) Regulations, 2016 as under:

*“The Commission in its MYT Order shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the Same, if any, as per latest Audited Accounts available for the Applicant, subject to prudence check. Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, SLDC and Distribution Licensees shall be reimbursed to/recovered from the Generating Companies, Transmission Licensees, SLDC and Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to prudence check. ”*



While approving the tariff for the period from FY 2016-17 to FY 2020-21, GERC has considered provision of Income tax of Rs. 64.62 Crore, which was actual tax paid by GETCO in FY 2015-16 (latest Audited Annual Accounts available at that time) in the tariff of FY 2018-19. Further, GETCO has made payment of Income Tax of Rs.151.74 Crore in FY 2018-19 and difference of Rs. 87.12 Crore (Rs. 151.74 Crore less Rs. 64.62 Crore) has been claimed in true up of ARR for FY 2018-19 which is in line with the GERC (MYT) Regulations, 2016.

#### **Commission's View**

The Commission has approved Income Tax based on prudence check of actual tax paid and approach adopted in past Tariff Orders. This issue has been dealt in detailed in the Tariff Order dated April 24, 2019 while undertaking Truing up for FY 2017-18. The detailed analysis of Income tax for FY 2018-19 is given in Chapter 4 of this Order.

#### **Issue No. 4: Computation of Working Capital**

While computing Working Capital requirement, payables have been ignored. Also, supplier bills have been remained pending for long periods, therefore working capital requirement should be computed after reduction of amounts payable.

#### **Response of GETCO**

The Working Capital requirement and the interest on Working Capital has been computed as per Regulation 40.2 of the GERC (MYT) Regulations, 2016.

#### **Commission's View**

The Commission has computed Interest on Working Capital as per Regulation 40.2 of the GERC (MYT) Regulations, 2016. The Commission further clarifies that the said regulation does not provide for consideration of payables for computation of working capital requirement.

#### **Issue No. 5: Clarity of the Revenue and ARR**

The Petition filed by GETCO has lack of clarity in terms of Revenue and ARR. The components have not been summarised at one place or in single table.

#### **Response of GETCO**

The Petition for True up of FY 2018-19 and Tariff determination for FY 2020-21 has been submitted as per the provisions of the GERC (MYT) Regulations, 2016. GETCO has submitted its Petition to the Commission using the same format for True up of FY 2017-



18 and Tariff determination for FY 2019-20 and the Commission had issued its order in Case No. 1757 of 2018 against the submission of such Petition in the same format.

### **Commission's View**

The Commission noted the response of the Petitioner. Further, the Commission clarified that GETCO has also submitted Executive Summary of ARR as part of Petition, which summarises the key information of the Petition.

### **Issue No. 6: True-up of per unit Transmission Cost**

The per unit cost of Transmission Charges has not been trued up for FY 2018-19 by GETCO, as presented in ARR Proposal (Table 4 and para 2.4.2).

### **Response of GETCO**

The Commission determined Transmission Charges based on the approved ARR for FY 2018-19 during MYT after adjustment of (Gap)/surplus of FY 2016-17 vide Order No. 1692 of 2017. The current Petition has been filed for the True up of FY 2018-19 wherein actuals of FY 2018-19 compared with figures approved for FY 2018-19 in the MYT Order as per the provisions of the MYT Regulations and treatments of deviations has been given accordingly.

### **Commission's View**

The Commission has noted the objection raised by the Objector and response of the Petitioner. The Commission has determined the Aggregate Revenue Requirement of Petitioner as per the GERC (MYT) Regulations, 2016 for the control period from FY 2016-17 to 2020-21 and accordingly, the Petitioner recovers this ARR from Long-Term and Medium-Term users of the transmission system. The Commission also undertakes the Truing up exercise of ARR on the basis of the GERC (MYT) Regulations, 2016 and any (Gap)/Surplus in ARR gets factored/captured in the ARR of ensuing years. The Commission undertakes such exercise for distribution licensees also. Hence, truing up of per unit transmission charges is not necessary.

### **Issue No. 7: Preparation of Annual Accounts as per the MYT Regulations**

The Annual Accounts of GETCO did not specify the word "Non-Tariff Income". However, the same has been used in ARR and the GERC (MYT) Regulations, 2016. Further, Non-Tariff income has not been shown as per Regulation 69.2 of the GERC (MYT) Regulations, 2016. Therefore, Petitioner should prepare Annual Accounts as per the GERC (MYT) Regulations, 2016.



### **Response of GETCO**

The Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) and as per the provisions of the Companies Act, 2013.

Further, with respect to the difference of Rs.8.43 Crore (Rs.329.18 Crore as per the Annual Accounts less Rs.320.75 Crore as per the Petition) in the Non-Tariff Income, the Annual Accounts of GETCO depicts the consolidated position of assets and liabilities and revenue and expenditure of all its units which includes SLDC also. As SLDC files its separate ARR for determination of SLDC Charges, the Non-Tariff income of SLDC has been deducted to arrive at net Non-Tariff income of GETCO. The Non-Tariff income of SLDC of Rs. 4.45 Crore has been deducted, while calculating the net Non-Tariff income of GETCO.

Further, the figure of interest on staff loan and advances of Rs. 3.98 Crore has been excluded in the calculation of Non-Tariff income in the petition as per the methodology prescribed by the Commission in Case No. 1620 of 2016.

### **Commission's View**

The Commission noted the response of the Petitioner. The Commission clarifies that, it has been considering the Other Income reported in Audited accounts as Non-tariff Income for the purpose of Approval of ARR.

### **Issue No. 8: Write Off of Bad Debts/Exceptional Items**

It is submitted that amount of Rs. 365.77 Crore for the period from 2006 to 2011 is due from M/s Essar Steel Limited. The write off of said amount should not be incorporated in ARR. It should be recovered from adjustment in profits instead of recovering from the consumers.

Also, it is further submitted that, the matter is under litigation of court of law and pending before Hon'ble Supreme Court. Hence, the Commission may opt for the same view as taken in the Order dated April 24, 2019 and approve Nil.

### **Response of GETCO**

In accordance with the guidelines of the Commission in the Order in Case No. 1757 of 2018, whereby, it was viewed that, GETCO should exercise all the options available to it to recover the said amount from M/s Essar Steel. Accordingly, GETCO has carried out all possible legal endeavours to recover the Bad debt from M/s Essar Steel. The details of the efforts made by GETCO and the judicial pronouncements made by the respective



courts including that of the Supreme Court have been submitted in the Petition to the Commission. Accordingly, GETCO now claimed the entire written off amount of Rs. 365.77 Crore in True up of ARR for FY 2018-19 as uncontrollable expense considering as a change in law and judicial pronouncement as per Clause 22.1(b) of the GERC (MYT) Regulations, 2016. Further, GETCO has also filed review petition on 27.1.2020 (Diary no. 3373/2020) against the order of the Supreme Court dated 15.11.2019 in Civil Appeal Diary No. 24477 of 2019.

### **Commission's View**

The Commission has dealt with the issue appropriately in Chapter 4 of this Order in accordance with the Regulations.

### **Issue No. 9: Threshold limit for Tariff Based Competitive Bidding for Transmission Projects**

GETCO has submitted details of intra-State Transmission Work in regards of Construction, Augmentation and R&M of Sub-stations and lines with discrete elements instead of comprehensive independent scheme with specific purpose. If such transmission projects are developed as a composite scheme comprising of complete scope at both the interconnection points including upstream/downstream elements and their associated bays, it would lead to better assessment of the project requirement, timelines and utilization on commission. Further, GEC-II to be taken to strengthen the intra-state transmission network in order to support influx of large quantum of RE power. It is requested to the Commission to ensure that a significant proportion of these intra-state GEC-II schemes are taken up under Tariff Based Competitive Bidding (TBCB) to give tariff advantages to the end consumers.

In Several States viz. Uttar Pradesh, Rajasthan, Madhya Pradesh, and Bihar, it has been observed that tariff discovered through TBCB has been around 30-40% lower than cost plus tariff. Further, the Electricity Act, 2003 and Clause 5.3 of the National Tariff Policy, 2016 emphasis on development of intra-State transmission projects through competitive bidding. Bihar Electricity Regulatory Commission (BERC) has notified a threshold limit value of Rs. 100 Crore to be developed through TBCB. Also, Punjab State Electricity Regulatory Commission has also notified the threshold limit of Rs. 50 Crore for the same. It is requested to adopt TBCB for all new projects and augmentation schemes for transmission.

GETCO also submitted that it is not being able to meet Capex targets on account of RoW, public/farmers protest and long delay in statutory clearances stand out, etc. It is





to direct GETCO to consider developing a significant portion of the proposed capital investment through competitive route to ensure timely completion of works and RoW, Land Acquisition and Statutory Clearances get passed on to the winning bidders.

To ensure the same, the following para may be considered for inclusion in the MYT Order:

*"All new intra-State Transmission Projects, costing above a threshold limit value to be notified separately, shall be developed through Tariff Based Competitive Bidding (TBCB), as per provisions of the Electricity Act and the Tariff Policy. The Commission is in the process of notifying of the threshold limit and after the notification the projects costing above the threshold limit shall be implemented through TBCB process. "*

### **Response of GETCO**

GETCO has been constructing around 100 nos. of substations along with associated transmission lines during a year consistently since year 2010. GETCO consists of professionally managed and skilled workforce, both at administrative level as well as field level for successful execution of transmission projects. Moreover, it has number of suppliers and contractors to supply materials and completion of projects in time manner. Further, it follows proven and transparent practice for procurement of material and award of contracts to ensure good competition and cheaper rate which ensures tariff advantages to end consumers. GETCO had completed majority of 66 kV class at various location across Gujarat and incurred very less cost compared to very high cost EHV projects in a specific area for ISTS network. Therefore, as per past performance of GETCO to complete projects at competitive costs. TBCB is not required for intra-state transmission project in Gujarat.

The competitive bidding is supposed to create competitive environment for the poor performing State Utilities and efficient private developers in terms of ability to perform and integrate capital expenditure for proposed projects. The EHV transmission network in the State is very vastly and sufficiently widespread all over Gujarat. Moreover, the prices received by GETCO for construction of EHV sub-stations and EHV lines are very competitive and generally lesser in comparison with those received through TBCB for ISTS network. In Gujarat, 66 kV network is also constructed by GETCO and almost 60% of works related to 66 kV Voltage level all across the state does not warrant to TBCB objectives. GETCO is a performing utility and managing resources and performs as per the standards specified by Commission. GETCO has both internal and external resources to manage projects. Also, GETCO is completing most of the projects timely



and therefore there is hardly any cost over run in the projects. Hence, at this point of time, there is no need of TBCB for Intra-State transmission project.

### **Commission's View**

The Commission noted the response of the Petitioner. In view of the Tariff Policy and Guidelines of Ministry of Power in this regard, the Commission is in the process of taking appropriate decision with regard to the project cost threshold limit for Tariff Based Competitive Bidding for Transmission Projects.

### **Issue No. 10: High Transmission Losses**

Transmission Losses of GETCO is around 3.92%, which is higher than transmission losses of neighbouring states i.e. Maharashtra (3.16%) and Rajasthan (3.37%). The over-loaded networks could be a key contributor to this higher transmission losses. Hence, it is requested to consider 'stricter transmission loss target' for the State.

### **Response of GETCO**

The loading of transmission system from quarter to quarter depends upon the load demand and actual generation. The area wise transmission constraint along with corresponding planned network has already been submitted in the Petition. Further, losses cannot be compared with other states (i.e. Rajasthan and Maharashtra) because GETCO has the transmission network up to 66/11 kV, whereas in the other states, the transmission network is 132/66 kV and above. Considering the voltage level maintained by GETCO for its transmission network, it is lower as compared to other States.

### **Commission's View**

The Commission noted the response of the Petitioner. The Commission has approved Transmission Loss Trajectory in the MYT Order based on the past performance, projected investment, etc.

### **Issue No. 11: Computation of Voltage-wise Transmission Charges and Losses**

Transmission Charges and Losses are determined and recovered as per *Postage Stamp method* based on the entire network cost involving cost of 400 kV, 220 kV, 132 kV and 66 kV by the Commission. As wheeling charges of all Distribution Licensees of the State are determined separately for 11 kV and above voltage level and LT consumers at 400 volts and below. The same principle is required to be followed for determination of Transmission Charges of GETCO based on Voltage level.



GETCO may suggest/submit a detailed proposal for determination of voltage level wise Transmission Charges. However, till the finalization of same, the methodology followed by the Commission for determination of voltage level wise wheeling charge for distribution licensee may be followed for determination of Transmission Charges.

The Commission may direct GETCO to furnish the necessary details for determination of Transmission Charges for the Distribution Licensee sourcing power at 220 kV and above voltage level and other users of the GETCO network.

GETCO should submit the breakup of its total GFA based on voltage level. The same to be used to segregate ARR of GETCO into two part viz. *Up to 220 kV* and *220 kV level and above*. ARR is to be further segregated in the ratio of Contract Demand at different voltage level. These identified ARRs are to be divided by respective demands to arrive at the per MW Transmission Charges at voltage levels for FY 2020-21.

### **Response of GETCO**

The power system network in the State as well as at the national level is operated as an integrated power network. The power flow in the integrated power network depends upon factors like location of load and power generation, line impedance of network element, etc. Therefore, when an entity draws power at particular voltage level, the power flow in the network not only involves network element of that particular voltage level or higher voltage level, but also involves network element of lower voltage level. Whenever, an entity draws power at 220 kV voltage level, the power flow in the network also involves network elements of voltage level less than 220 kV. Therefore, it would not be appropriate to say that, if any consumer draws power at 220 kV, it is not utilizing transmission network of lower voltage level i.e., lower than 220 kV voltage level. All the concerned entities are required to bear the network charges and losses determined on the basis of network as whole involving transmission elements of all voltage levels. Considering the above peculiarity of integrated power network, even in case of PGCIL, the Transmission Charges and losses are not differentiated on the basis of voltage level connectivity.

During the old regime, the computation of inter-State Transmission Charges was based on *Postage Stamp method*, the applicable Transmission Charges were uniform irrespective of voltage level at which the user of transmission line was connected. The present regime of Point of Connection (PoC) charges mechanism for inter-State transmission line is based on usage, which captures the direction and distance of power flow. Only when similar mechanism of capturing distance and direction of power is



introduced for intra-State transmission network as well, such concerns can be addressed. Therefore, till such mechanism is introduced at Intra-State level, the existing mechanism of uniform charges should be continued.

Therefore, GETCO transmission network being operated on integrated basis, will not be able to apply voltage wise Transmission Charges and losses.

**Commission's View**

At present, the transmission charges are determined based on Postage Stamp Method. The relevant framework has been specified in Regulation 71 and 72 of the GERC (MYT) Regulations, 2016. The Commission has noted the suggestions from Stakeholder and response of the Petitioner. The Commission will explore the option of determination of voltage wise transmission charges in next Control period commencing from April 1, 2021.



## 4 Truing up for FY 2018-19

### 4.1 Introduction

This Chapter deals with the Truing up for FY 2018-19.

While doing 'Truing up' of various components of ARR for FY 2018-19, the actuals for FY 2018-19 are compared with the approved ARR as per the MYT Order issued on 31<sup>st</sup> March 2017.

The Commission has analysed each of the components of the Aggregate Revenue Requirement (ARR) in the following sections:

### 4.2 Capital Expenditure and Capitalisation

#### Petitioner's Submission

GETCO has submitted that in order to ensure unrestricted power flow across the State of Gujarat and maintain an efficient transmission system, GETCO had spent significant amount of capital expenditure for construction of transmission lines and sub-stations during FY 2018-19.

GETCO has submitted the actual capital expenditure at Rs. 2,769.89 Crore for FY 2018-19, as against Rs. 2757.48 Crore approved for FY 2018-19, in the MYT Order dated 31<sup>st</sup> March 2017. The actual capitalisation for FY 2018-19 was submitted as Rs. 2,918.14 Crore.

GETCO has submitted that the Capital Expenditure incurred during FY 2018-19 has been funded through grants, equity and the remaining expenditure has been funded through debt, as detailed in the Table below:

**Table 4-1: Capital Expenditure and Capitalisation as submitted by GETCO (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed
1	Capex	2,757.48	2,769.89
2	Capitalization	2,205.98	2,918.14
	<b>Funding of Capitalisation</b>		
3	Consumer Contributions / Grants	294.50	317.43
4	Debt	1,338.04	1,820.50
5	Equity	573.45	780.21



Based on the capitalisation, the addition of number of substations and transmission line during FY 2018-19, as submitted by GETCO is shown in the following Table:

**Table 4-2: Network Addition as submitted by GETCO**

Sr. No	Particulars	Substations (Nos.)	Transmission Line (Ckt-km)
1	400 kV	1	415
2	220 kV	5	550
3	132 kV	0	29
4	66 kV	94	1,592
	<b>Total</b>	<b>100</b>	<b>2,586</b>

### Commission's Analysis

The Commission notes that GETCO has submitted the actual capitalisation of Rs. 2,918.14 Crore as against the approved amount of Rs. 2,205.98 Crore. The Commission also notes that GETCO has submitted the details of loading of substations and key lines along with the Petition.

Based on the capitalisation, GETCO has submitted the addition of number of bays and transmission line length. Regarding the addition of Transmission line length, GETCO has submitted addition of 1840 Ckt-Km during FY 2018-19. However, based on the list-wise details submitted, it is observed that addition of 99.20 Ckt-Km for LILO at 220 kV Botad S/s of 220 kV Amreli-Dhasa line has been inadvertently missed out. However, the Commission has considered the same (i.e., 1,939.48 Ckt-Km addition) for the purpose of prudence check.

The Commission notes that Regulation 34 of the GERC (MYT) Regulations, 2016 specifies that assets, which have been part of the project but have not been *put to use* will not be considered for capitalisation. The Commission in earlier Orders has relied on the Certificate of Chief Electrical Inspector (CEI). The Commission understands that Certificate of Chief Electrical Inspector provides for safety norms. Moreover, it is also clear that assets cannot be put to use before certification of CEI. Hence, Certificate of CEI is considered as one of milestone for asset to be *put to use*. Further, in some cases, it is observed that, after issuance of Certificate of CEI, the respective transmission assets are not being charged on account of delay in connectivity from lower voltages, etc. In such cases, it may be argued that delay on account of lower connectivity is not on part of GETCO. However, it is expected that transmission works are to be in co-ordination with Distribution Licensee or Beneficiaries, so that there would be optimum utilisation of assets. In light of the foregoing analysis, the Commission, while undertaking



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prudence check, has considered the actual capitalisation based on actual loading/power flow. The Commission sought the relevant details from GETCO. The prudence check undertaken by the Commission is discussed in subsequent paragraphs.

GETCO submitted the work-wise details of date of first power flow, actual capitalisation vis-à-vis approved capitalisation. The Commission has analysed the work-wise details. The Commission observed that, for some of the schemes, the actual power flow started after March 31, 2019. The Commission has not considered the actual capitalisation for these works in FY 2018-19 as assets are actually *put to use* in FY 2019-20 based on the actual power flow. However, the capitalisation is to be considered in FY 2019-20. The details of works and actual capitalisation is given in the Table below:

**Table 4-3: Details of Work-wise capitalisation disallowed by the Commission (Rs. Crore)**

Sr. No	Particulars	Date of the CEI Certificate	Date of the Actual First Power Flow	Approved Cost	Actual Cost
	<b>Substations</b>				
1	220 kV Amod S/S	29.03.2019	13.05.2019	55.09	41.83
2	Feeder bay at existing 220kV Amod S/S	29.03.2019	19.04.2019	10.90	
3	220 kV Kukma S/S	15.03.2019	19.04.2019	5.41	2.03
4	220 kV Shapur S/S	30.11.2018	19.12.2019	5.41	7.07
5	220 kV Visavadar S/S	15.09.2018	02.06.2019	12.36	4.06
6	220 kV Navsari S/S	30.03.2019	01.04.2019	5.41	0.62
	<b>Sub-total (A)</b>			<b>94.57</b>	<b>55.62</b>
	<b>Transmission Lines</b>				
7	LILO at 220kV Botad S/s of 220kV Amreli-Dhasa line	06.10.2018	04.04.2019	32.00	29.66
8	LILO of one ckt. Of 400kV Vadavi - Halvad Line at 400kV Sanand-II/Charodi/Charal GIDC S/s	15.10.2018	-	38.08	38.08
9	220kV D/C Radhanpur-Sankhari line	17.07.2018	06.04.2019	33.55	29.90
	<b>Sub-total (B)</b>			<b>103.63</b>	<b>97.64</b>
	<b>Grand Total (A+B)</b>			<b>198.20</b>	<b>153.26</b>

Further, GETCO has submitted the following reasons for variation in the cost of actual capitalisation vis-à-vis the approved cost. The Commission observes as under:



- (a) Regarding 400 kV Charal S/S (Sanand II), the actual capitalisation is Rs. 339 Crore as against approved amount of Rs. 268.53 Crore. The increase in the cost is because of high land cost and civil cost.
- (b) Regarding 220 kV Sub-station augmentation schemes (7 Nos. viz. 220 kV Radhanpur S/S, 220kV Nakhatrana S/S, 220kV Tappar S/S, 220kV Kangashiyali S/S, 220 kV Shapur S/S, 220 kV Keshod S/s and 220 kV Mehsana S/s), there is increase of Rs. 15.96 Crore in actual cost on account of change in site conditions.
- (c) Regarding 220 kV LILO at Kukma S/S from one Ckt. of Shivilakha - Nanikhakhar line, it is observed that delay is because of severe RoW issues. The proposed schedule for commissioning was in FY 2010-11 and original estimate of works was prepared based on actual prices of FY 2008-09. The actual capitalisation for this works is 13.26 Crore as against approved amount of Rs. 6.80 Crore.
- (d) For the following three schemes, actual capitalisation is Rs. 174.63 Crore as against the approved amount of Rs. 113.69 Crore. The increase in cost is because of change in scope of work. There is inclusion of 400 kV M/c tower suitable to twin moose conductor instead of D/C tower:
- a. LILO of one Ckt. of 400kV D/C Ukai-Kosamba line at 400kV Vav S/S
  - b. LILO of one Ckt. of 400kV D/C Jhanor-Navsari line at 400kV Vav S/S
  - c. LILO of one Ckt. of 400kV D/C Kosamba-Chorania line at 400kV Sanand-II/Charal/Chharodi GIDC S/S

From the above, the Commission notes that the increase in actual cost of project, is primarily on account of RoW issues, change in scope of work and change in site conditions.

Further, the Commission has analysed the details of schemes related to 400 kV Sanand S/S. It is observed that actual power flow for these assets have started in FY 2018-19. The actual capitalisation for these schemes has already been allowed in FY 2017-18. However, the same should have been considered in FY 2018-19. Truing up for FY 2017-18 has been finalised in the Order dated 24<sup>th</sup> April, 2019, and is hence, not being reopened. The Commission in the present Order has adopted the approach of allowance of actual capitalisation based on power flow and same has been corrected for future years.





Further, regarding the increase in actual cost of project, it would not be appropriate to disallow the actual capitalisation based on the present limited details submitted by GETCO. At this stage, the Commission approves the actual capitalisation for these schemes. However, from FY 2019-20 onwards, GETCO is directed to submit the work-wise details of actual capitalisation including but not limited to actual date of first power flow, actual loading, approved cost of project, actual cost of project, breakup of actual cost in hard cost, IDC, reasons for increase in cost and delay, etc., along with the Petition.

In view of the above, the actual capitalisation allowed by the Commission for FY 2018-19 and its funding is shown in the following Table:

**Table 4-4: Capitalisation approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved
1	Actual Capitalisation*	2,903.39
2	Less: Capitalisation for SLDC	3.54
3	Less: Capitalisation Disallowed	153.26
4	Capitalisation Approved	2,746.59

*\*As per Note 2 of Audited accounts*

The funding of capitalization approved for FY 2018-19 is shown in the following Table:

**Table 4-5: Funding of Capitalisation approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved
1	Grant	317.43
2	Equity	728.75
3	Debt	1,700.41
4	<b>Capitalisation Approved</b>	<b>2,746.59</b>

### 4.3 O&M Expenses

#### Petitioner's Submission

The normative O&M Expenses shall be computed based on the norms provided in Regulation 68.2.1 of the GERC (MYT) Regulations, 2016, based on the number of bays and transmission line length. GETCO has worked out the normative O&M expenses of Rs. 1,575.77 Crore in the truing up for FY 2018-19, as against Rs. 1,556.19 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017.

The O&M Expenses approved for FY 2018-19 by the Commission in the MYT Order



dated 31<sup>st</sup> March, 2017 and worked out (based on actual data) by GETCO in the truing up for FY 2018-19 are given in the Table below:

**Table 4-6: Normative O&M Expenses Claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Unit	Approved in the MYT Order	Actual Claimed
1	Based on Number of Bays			
	Average No. of Bays during the Year	Nos.	13,226.60	13,515
	O&M Expenses per Bay	Rs. Lakh	8.50	8.50
	O&M Expenses based on Number of Bays	Rs. Crore	1,124.26	1,148.78
2	Based on Transmission Line Length (Ckt-Km)			
	Average Line Length during the Year	Ckt-kms	59,989.84	59,305
	O&M Expenses per Ckt-Km.	Rs. Lakh	0.72	0.72
	O&M Expenses based on Transmission Line Length	Rs. Crore	431.93	427
<b>3</b>	<b>Total O&amp;M Expenses (normative)</b>	<b>Rs. Crore</b>	<b>1,556.19</b>	<b>1,575.77</b>

GETCO has computed O&M Expenses by considering the actual Employees Expenses, R&M Expenses and A&G Expenses based on the audited annual accounts for FY 2018-19 for working out Gain/ (Loss). The O&M Expenses (excluding SLDC's) as per the audited annual accounts are as shown in the Table below:

**Table 4-7: Actual O&M Expenses claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Actual Claimed
1	Employees Expenses	925.20
2	Repairs & Maintenance Expenses	328.68
3	Administrative & General Expenses	128.70
4	Total Operation & Maintenance Expenses	1,382.58

The Petitioner has also submitted that O&M Expenses are controllable in nature, under Regulations 22 of the GERC (MYT) Regulations, 2016. However, as per the methodology adopted by the Commission, the variance in the O&M Expenses as approved in the MYT Order and the normative O&M Expenses as per actual performance during the year is considered as uncontrollable and variation in the normative O&M Expenses and actual as per the audited accounts is considered as controllable.

The Commission has allowed actual pay out towards impact of the 7<sup>th</sup> Pay Commission of Rs. 53.54 Crore in True-up of FY 2017-18 as uncontrollable. Accordingly, in True up of FY 2018-19, GETCO has considered the actual impact of the 7<sup>th</sup> Pay Commission as



uncontrollable. The O&M Expenses and Gain/ (Loss) considered in the Truing up for FY 2018-19 are summarized in the Table below:

**Table 4-8: Gains/ (Loss) Claimed from O&M Expenses for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Normative Claimed	Actual as per Audited Accounts	Impact of Actual 7 <sup>th</sup> pay commission payment	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	2	3	4	5	6=3-4+5	7=2-3-5
O&M Expenses	1,556.19	1,575.77	1,382.58	129.79	322.98	(149.37)

### Commission's Analysis

The proviso to Regulation 68.2.1 of the GERC (MYT) Regulations, 2016 specifies that:

*“Transmission Licensee shall submit a certificate from the Chief Electrical Inspector for the number of bays and circuit kilometres of transmission line added during the year at the time of truing up.”*

Further, as regards the addition of number of bays and transmission line length, the Commission has not considered the number of bays and transmission line lengths for which Certificate for CEI was issued after March 31, 2019. Further, as discussed earlier, the Commission has also not considered the addition of bays and line length towards disallowed capitalisation. In addition to this, the Commission observed that 7 Nos. of bays (1 Bay at 66 kV Nagdhara and 6 Bays at 66 kV Judavant) were already considered in FY 2017-18, hence, the same are not considered for FY 2018-19. Accordingly, the addition of number of bays and transmission line length considered for the purpose of allowing O&M expenses for FY 2018-19 is shown in the following Table:

**Table 4-9: Addition of Network parameters approved for FY 2018-19**

Sr. No	Particulars	Actual Claimed	Less: Certificate of CEI issued after March 31, 2019	Less: Assets Disallowed	Less: Already Allowed in FY 2017-18	Approved in Truing up
A	<b>Number of Bays</b>					
1	S/S Bays	396	30	17	7	342
2	Feeder Bays	76	3	6	0	67
3	For Augmentation	116	24	6	0	86



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Sr. No	Particulars	Actual Claimed	Less: Certificate of CEI issued after March 31, 2019	Less: Assets Disallowed	Less: Already Allowed in FY 2017-18	Approved in Truing up
4	Grand Total	588	57	29	7	495
B	Transmission Line length (Ckt-Km)	1,939.48	89.06	197.41	-	1,653.01

The Commission has, therefore, considered addition of 495 number of bays and 1653.01 Ckt-Km. line additions during FY 2018-19. Accordingly, the Commission has worked out the normative O&M Expenses as detailed in the Table below:

**Table 4-10: Normative O&M Expenses approved for FY 2018-19 (Rs. Crore)**

Particulars	Claimed			Approved		
	Lines	Bays	Total	Lines	Bays	Total
	(Ckt.km)	(Nos.)		(Ckt.km)	(Nos.)	
At the beginning of the Year	58,385	13,221		58,385.49	13,221	
Addition during the Year	1,840	588		1,653.01	495	
At the end of the Year	60,225	13,809		60,039	13,716	
Average	59,305	13,515		59,212	13,469	
Rate (Rs. Lakh)	0.72	8.50		0.72	8.50	
<b>O&amp;M Expenses</b>	<b>427.00</b>	<b>1,148.77</b>	<b>1,575.77</b>	<b>426.33</b>	<b>1,144.82</b>	<b>1,571.15</b>

**The Commission approves the normative O&M Expenses at Rs. 1,571.15 Crore in the Truing up for FY 2018-19.**

The actual O&M Expenses of the Petitioner for FY 2018-19 excluding O&M Expenses of SLDC, as per audited annual accounts, are Rs. 1382.58 Crore.

The Employee Expenses of GETCO as per audited annual accounts is Rs. 951.92 Crore (including SLDC expenses of Rs. 16.52 Crore), and the Commission has further added therein Rs. 62.92 Crore towards Re-measurement of the Defined Benefit Plans. Also, the provision of Rs. 73.11 Crore towards the 7<sup>th</sup> Pay Commission has been reduced since, the actual amount has been considered. Accordingly, the Commission approves Employee Expenses of Rs. 925.20 Crore excluding SLDC Expenses of Rs. 16.52 Crore.

The Commission notes that amount of Rs. 129.79 Crore on arrears of the 7<sup>th</sup> Pay Commission is adjusted against the provision made by the Company and same is reflected in Employee Expenses in audited accounts. It is further clarified that amount



pending for provision for arrears of the 7<sup>th</sup> Pay Commission at the end of FY 2018-19 is Rs. 207.29 Crore including amount towards SLDC.

The Commission has reconciled O&M Expenses submitted by GETCO with audited accounts and accordingly approves the actual O&M Expenses for FY 2018-19 as shown in the following Table:

**Table 4-11: Actual O&M Expenses approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in Truing up
1	Employees Expenses	925.20
2	Repairs & Maintenance Expenses	328.68
3	Administrative & General Expenses	128.68
4	Total Operation & Maintenance Expenses	1,382.56

O&M Expenses are controllable in nature under the GERC (MYT) Regulations, 2016. However, the Commission is of the view that the variance in the O&M Expenses, as approved in the MYT Order and the normative O&M Expenses, as per actual performance during the year, is uncontrollable and variance between the normative O&M Expenses as per actual performance and the Audited Accounts is controllable. The Commission has also considered the actual pay out of Rs. 129.79 Crore on account of 7<sup>th</sup> Pay Commission in FY 2018-19 as uncontrollable. The O&M Expenses and Gain/(Loss) considered in the Truing up for FY 2018-19 are summarised in the Table below:

**Table 4-12: Gain/(Loss) from O&M Expenses approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Normative Approved in Truing up	Approved as per Audited Accounts in Truing up	Deviation +/-	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	2	3	4	5 = 2-4	6 = (3-4 and Impact of 7 <sup>th</sup> Pay Commission)	7 = (2-3 and Impact of 7 <sup>th</sup> Pay Commission)
O&M Expenses	1,556.19	1,571.15	1,382.56	173.63	318.38	(144.75)



#### 4.4 Depreciation

##### Petitioner's Submission

GETCO has claimed Depreciation of Rs. 1,011.56 Crore for FY 2018-19, as against Depreciation of Rs. 1,132.95 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as given in the Table below:

**Table 4-13: Depreciation claimed for FY 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed
1	Opening Gross Block	22,148.79	22,423.02
2	Net Additions during the Year	2,205.98	2,918.14
3	Closing Gross Block	24,354.78	25,341.16
4	Depreciation for the Year	1,132.95	1,011.56
5	Average Rate of Depreciation	4.87%	4.24%

The variation in the amount of depreciation as per the actual cost incurred by GETCO in FY 2018-19 against the amount approved by the Commission is considered as Gain/(Loss) on account of uncontrollable factors and has been appropriately treated as detailed in the Table below:

**Table 4-14: Gain/(Loss) claimed from Depreciation for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Actual Claimed	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	1,132.95	1,011.56	-	121.39

##### Commission's Analysis

The Commission in accordance with the GERC (MYT) Regulation, 2016 has computed the allowable depreciation for FY 2018-19. The opening GFA for FY 2018-19 has been considered equal to closing GFA for FY 2017-18 as approved in true-up. The addition of GFA has been considered based on capitalisation approved in earlier Section of this Order. Further, it is noted that Non-tariff Income submitted in the Petition includes the income towards Government Grant/Subsidies. Hence, the Commission has not disallowed depreciation on grants as the same is being reduced by considering under Non-Tariff Income. The depreciation approved for FY 2018-19 after true-up is detailed in the Table below:



**Table 4-15: Depreciation approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up
1	Opening Gross Block	22,148.79	22,423.02	22,423.02
2	Net Additions during the Year	2,205.98	2,918.14	2,746.59
3	Closing Gross Block	24,354.78	25,341.16	25,169.61
4	Depreciation for the Year	1,132.95	1,011.56	1,007.93
5	Average Rate of Depreciation	4.87%	4.24%	4.24%

**The Commission, accordingly, approves depreciation at Rs 1007.93 Crore for FY 2018-19.**

With regard to the computation of Gain/(Loss), if the Gain is on account of lesser capital expenditure and capitalisation, it cannot be attributed to the efficiency of the utility. Similarly, if the Loss is on account of higher capital expenditure and capitalisation due to bonafide reasons, the utility cannot be penalised by allowing only two-thirds of the Loss in the ARR. Hence, the Commission considered the variation in capitalization as uncontrollable, to this extent. This applies to debt and equity in allowing Gain/(Loss) on account of Interest and Return on Equity too.

The Commission, accordingly, approves the Gain/(Loss) on account of depreciation, on account of uncontrollable factors in the Truing up for FY 2018-19, as detailed in the Table below:

**Table 4-16: Gain / (Loss) from Depreciation approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	1,132.95	1,007.93	125.02		125.02

## 4.5 Interest and Finance Charges

### Petitioner's Submission

GETCO has claimed Interest and Finance Charges of Rs. 548.23 Crore towards Interest and Finance Charges in the Truing up for FY 2018-19, as against approved amount of Rs. 596.86 Crore in the MYT Order. The debt component of the capitalisation during the



year (net of grants) is considered at the debt-equity ratio of 70:30. GETCO has submitted that the weighted average rate of loans is 7.78% on the actual loan portfolio during the year FY 2018-19 as per Regulation 38.5 of the GERC (MYT) Regulations, 2016. GETCO has calculated Interest on Loans by considering repayment of loan equivalent to Depreciation of the year as given below:

**Table 4-17: Interest and Finance Charges Claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed
1	Opening Loans	5,880.76	6,269.27
2	Loan Additions during the Year	1,338.04	1,820.50
3	Repayment during the Year	1,132.95	1,011.56
4	Closing Loans	6,085.85	7,078.21
5	Average Loans	5,983.30	6,673.74
6	Interest on Loan	595.86	519.01
7	Other Charges (Guarantee + financing charges)	1.00	29.21
8	Total Interest & Financial Charges	596.86	548.23
9	Weighted Average Rate of Loan	9.96%	7.78%

GETCO has claimed Rs. 92.29 Crore as Gain from Interest and Finance Charges due to uncontrollable factors, as detailed in the Table below:

**Table 4-18: Gain/ (Loss) claimed from Interest & Finance Charges for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Actual Claimed	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	596.86	548.23	-	48.63

### Commission's Analysis

The Commission has examined the submission of GETCO. The repayment of loans during the year has been considered equal to the depreciation for FY 2018-19. As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Transmission Licensee shall be considered as the rate of interest.





As per aforesaid Regulation and the data provided by GETCO, the Commission has worked out the weighted average interest rate as 7.78% and applied the same on the normative loan amount.

Further, the Commission notes that GETCO has claimed other finance charges of Rs. 29.21 Crore. As per Note 33 of Audited accounts, the Commission notes that it includes an amount of Rs. 5.23 lakh towards interest on Income tax. This interest on income tax paid is not allowed by the Commission.

Further, it includes other interest charges of Rs. 3.45 Crore which relates to interest expenses of schemes related to employee. This Interest expenses comprises of Rs. 0.18 Crore towards Interest on Staff Welfare Fund and Rs. 3.27 Crore towards Interest on Staff retirement and death benefit scheme. The Commission does not allow the said other interest charges as Non-Tariff Income of the same is not considered.

GETCO has also claimed Loss on Foreign Exchange Fluctuation of Rs. 25.31 Crore. The Commission has verified the computation of the said amount. Regulation 44.3 of the GERC (MYT) Regulations, 2016 specifies that:

*‘To the extent the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee or its suppliers or contractors’.*

The Commission notes that GETCO has booked a loss of Rs. 25.31 Crore for ADB-2778-IND loan and increased the loan liability by the same amount during FY 2018-19. Since, the Regulations allow the liability towards interest as well as repayment, the amount of Rs. 25.31 Crore is allowed by the Commission.

In view of the above, the Commission approves Other Finance Charges of Rs. 25.71 Crore for FY 2018-19 for the purpose of Truing up for FY 2018-19.

Based on the actual capitalisation achieved by GETCO during FY 2018-19 and the approved normative borrowings, considering the interest rate of 7.78% the Commission has computed the interest on normative loans, as detailed in the Table below:



**Table 4-19: Interest and Finance Charges approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up
1	Opening Loans	5,880.76	6,269.27	6,269.27
2	Loan Additions during the Year	1,338.04	1,820.50	1,700.41
3	Repayment during the Year	1,132.95	1,011.56	1,007.93
4	Closing Loans	6,085.85	7,078.21	6,961.75
5	Average Loans	5,983.31	6,673.74	6,615.51
6	Weighted Average Rate of Loan	9.96%	7.78%	7.78%
7	Interest on Loan	595.86	519.01	514.48
8	Other Charges (Guarantee + financing charges)	1.00	29.21	25.71
<b>9</b>	<b>Total Interest &amp; Financial Charges</b>	<b>596.86</b>	<b>548.23</b>	<b>540.19</b>

**The Commission accordingly, approves Interest and Finance Charges of Rs. 540.19 Crore for FY 2018-19.**

As noted above, the Commission is of the view that the parameters which affect Interest and Finance Charges should be treated as uncontrollable. The Commission, accordingly, approves the Gain/(Loss) on account of Interest and Finance Charges in the Truing up for FY 2018-19, as detailed in the Table below:

**Table 4-20: Gain/(Loss) from Interest & Finance Charges approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in the Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest and Finance Charges	596.86	540.19	56.67		56.67

**The Commission accordingly approves the Gain of Rs. 56.67 Crore on account of uncontrollable factors.**

#### **4.6 Return on Equity**

##### **Petitioner's Submission**

GETCO has claimed Rs. 835.61 Crore towards Return on Equity in the Truing up for FY 2018-19, as against Rs. 846.67 Crore approved for the year in the MYT Order. Return on Equity has been computed @ 14% as provided in the GERC (MYT) Regulations, 2016. The deviation in Return on Equity is considered as uncontrollable factor. The comparison between the actual values of Return on Equity for FY 2018-19 with the



values approved by the Commission in the Order dated 31<sup>st</sup> March 2017 is shown in the Table below:

**Table 4-21: Return on Equity claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/-(-)
1	Opening Equity Capital	5,760.91	5,578.54	
2	Equity Additions during the Year	573.45	780.21	
3	Closing Equity	6,334.36	6,358.75	
4	Average Equity	6,047.63	5,968.65	
5	Rate of Return on the Equity	14%	14%	
6	Return on Equity	846.67	835.61	11.06

### Commission's Analysis

The Commission has examined the submission of GETCO. Return on Equity is allowed on the average equity deployed during the year considering the Opening Equity and addition to Equity. The quantum of Equity addition has been considered as approved in earlier Section of this Order. The Closing Equity of the previous year i.e. FY 2017-18 is considered as the Opening Equity for FY 2018-19. Accordingly, the Commission has computed the Return on Equity for FY 2018-19, as detailed in the Table below:

**Table 4-22: Return on Equity approved for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up
1	Opening Equity Capital	5,760.91	5,578.54	5,578.54
2	Equity Additions during the Year	573.45	780.21	728.75
3	Closing Equity	6,334.36	6,358.75	6,307.29
4	Average Equity	6,047.63	5,968.65	5,942.91
5	Rate of Return on the Equity	14.00%	14%	14.00%
<b>6</b>	<b>Return on Equity</b>	<b>846.67</b>	835.61	<b>832.01</b>

**The Commission accordingly approves Return on Equity at Rs. 832.01 Crore in the Truing up for FY 2018-19.**

As noted above, the Commission is of the view that the parameters which affect Return on Equity should be treated as uncontrollable. The Commission accordingly approves



the Gain and Loss on account of Return on Equity in the Truing up for FY 2018-19, as detailed in the Table below:

**Table 4-23: Gain/(Loss) from Return on Equity approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Return on Equity	846.67	832.01	14.66		14.66

#### 4.7 Interest on Working Capital

##### Petitioner's Submission

GETCO has claimed an amount of Rs. 71.36 Crore towards Interest on Working Capital in the Truing up for FY 2018-19, as against an amount of Rs. 77.64 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017. GETCO has submitted that Working Capital is computed based on the norms provided in the GERC (MYT) Regulations, 2016 by considering O&M expenses, Receivables for 1 month and maintenance spares @ 1% of historical cost (i.e. GFA).

GETCO has further submitted that as per the GERC (MYT) Regulations, 2016, interest rate is considered as 1-year SBI MCLR plus 250 basis points i.e., 10.89%. The comparison of actual value of Interest on Working Capital based on above methodology and the value approved by the Commission is shown in the Table below. This deviation has been considered as loss to GETCO on account of uncontrollable factors.

**Table 4-24: Interest on Working Capital claimed for FY 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/-
1	O&M Expenses (1 Month)	129.68	115.22	
2	Maintenance Spares (1% of opening GFA)	221.49	224.23	
3	Receivables (1 Month)	312.39	315.75	
4	Total Working Capital	663.56	655.19	
5	Rate of Interest on Working Capital	11.70%	10.89%	
<b>6</b>	<b>Interest on Working Capital</b>	<b>77.64</b>	<b>71.36</b>	<b>6.28</b>



### Commission's Analysis

The Commission has examined the computation of normative working capital and interest thereon under the GERC (MYT) Regulations, 2016. The working capital comprises of one month's O&M Expenses, Maintenance Spares at 1% of historical cost and Receivables equivalent to one month of Transmission Charges calculated on target availability level.

The Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 8.39% prevailing during the FY 2018-19 plus 250 basis points as the interest rate. Accordingly, the rate of interest is worked out to be 10.89%.

Based on the O&M Expenses and Other Expenses now approved in the Truing up, the Working Capital and Interest thereon calculated at 10.89%, are detailed in the Table below:

**Table 4-25: Interest on Working Capital approved for 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing Up
1	O & M Expenses (1 Month)	129.68	115.22	115.21
2	Maintenance Spares (1% of Opening GFA)	221.49	224.23	224.23
3	Receivables (1 Month)	312.39	315.75	281.06
4	Total Working Capital	663.56	655.19	620.50
5	Rate of Interest on Working Capital	11.70%	10.89%	10.89%
<b>6</b>	<b>Interest on Working Capital</b>	<b>77.64</b>	<b>71.36</b>	<b>67.57</b>

**The Commission, accordingly, approves the Interest on Working Capital at Rs. 67.57 Crore in the Truing up for FY 2018-19.**

The Commission considers the Interest on Working Capital as uncontrollable, since the components forming part of the Working Capital are mostly uncontrollable. The commission, accordingly, approves the Gain/(Loss) on account of Interest on Working Capital in the Truing up for FY 2018-19, as detailed in the Table below:



**Table 4-26: Gain/(Loss) from Interest on Working Capital approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest on Working Capital	77.64	67.57	10.07	-	10.07

#### **4.8 Exceptional Items**

##### **Petitioner's Submission**

GETCO submitted that Exceptional Item for FY 2018-19 is Nil as per the audited annual accounts of GETCO, which is the same as that approved by the Commission.

It is further submitted that the Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC) was initiated against M/s Essar Steel Limited (ESL) and accordingly, GETCO has filed its claim with the designated Resolution Professional. As recorded in the Note 55 of the audited annual accounts of FY 2017-18, the amount Receivable from Trade Receivables for wheeling charges includes an amount aggregating to Rs. 36,577.08 Lakh for the period 2006 to 2011, due from M/s Essar Steel Limited. Notwithstanding, the legal tenability of the Company's claims and litigation and without prejudice to the Company's rights to recover the aforementioned claims, the Management notes the receivable to be irrecoverable in its likelihood, based on the facts and circumstances as of the date of issue of the financial statements. Hence, the Company has written off the entire receivable of Rs. 36,577.08 lakh in FY 2017-18.

The same amount was not allowed by the Commission, while Truing up for FY 2017-18 stating that GETCO should exercise all the options available to it to recover the said amount from ESL. So far, GETCO has exercised diligently the options including at the apex level of Hon'ble Supreme Court for recovery of its dues. However, vide the aforesaid order of Hon'ble Supreme Court, the claim of GETCO, for now, stands at Notional Value of Re. 1. Accordingly, GETCO has claimed the entire written off amount of Rs. 365.77 Crore in FY 2018-19 as uncontrollable expense considering this as a change in law and judicial pronouncement as per the GERC (MYT) Regulations, 2016.



**Table 4-27: Exceptional Items claimed for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Actual Claimed	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Exceptional Items	-	365.77	-	(365.77)

### **Commission's Analysis**

The Commission notes that GETCO had claimed the same amount in the True-up for FY 2017-18. However, the same was not allowed by the Commission. In the said Order, the Commission has held as under:

*“The Petitioner has claimed the Exceptional item of Rs. 365.77 Crore as bad debts written off in respect of the receivables from M/s. Essar Steel India Limited (ESIL) towards the Wheeling Charges. On perusal of the Audited Annual Accounts of GETCO, it has been observed that CIRP (Corporate Insolvency Resolution Process) of M/s. Essar Steel India Limited (ESIL) has been initiated under the Hon’ble National Company Law Tribunal, Ahmedabad. Further, from the Audited Annual Accounts of the M/s. Essar Steel India Limited (ESIL) it is observed that GETCO has filed a claim under CIRP towards the above claim and accordingly M/s. ESIL has shown the amount towards Wheeling Charges under contingent liability. As the aforesaid matter is still under litigation, it would not be appropriate at this juncture to approve the write off of bad debts of Rs. 365.77 Crore. Accordingly, the Commission has approved NIL amount against the Petitioner’s claim of Rs. 365.77 Crore. The Commission is of the strong view that GETCO should exercise all the options available to it to recover the said amount from ESIL.”*

The Commission notes that, GETCO has claimed this amount as Bad Debt written off. Regulation 68 of the GERC (MYT) Regulations, 2016 specifies the components of ARR allowed to Transmission Licensee. It is also noted that this does not include the Bad debt written off for Transmission Licensees. Hence, the demand of GETCO for allowance of an amount of Rs. 365.77 Crore is not tenable as per provisions of the GERC (MYT) Regulations, 2016. The Commission is also of the view that while allowing any such losses, the efficiency of the Licensee in doing its business also matters. Therefore, the Commission would like to again reiterate its stand that GETCO must



exercise all options available to it to recover any such dues. Further, the Commission also notes that GETCO has already filed an appeal before Hon'ble Supreme Court for relief of this amount and the matter is pending. The Commission is of view that the amount claimed by Rs. 365.77 Crore is not allowable as part of ARR.

**Hence, the Commission approves Nil amount for Exceptional items in Truing up for FY 2018-19.**

#### **4.9 Contribution to Contingency Reserve**

##### **Petitioner's Submission**

GETCO has not claimed any contribution towards Contingency Reserve as per the audited accounts in the Truing up for FY 2018-19 as Contribution to Contingency Reserve which is same as approved in the MYT Order dated 31.03.2017.

##### **Commission's Analysis**

Regulation 68.3 of the GERC (MYT) Regulations, 2016 specifies that, where the Transmission Licensee has made an appropriation to the Contingency Reserve a sum not more than 0.5 percent of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of Aggregate Revenue Requirement. As GETCO has not claimed any contribution to Contingency Reserve, the Commission approves 'Nil' amount as per audited accounts of FY 2018-19.

**The Commission accordingly approves the contribution to Contingency Reserve as 'Nil' in the Truing up for FY 2018-19.**

#### **4.10 Income Tax**

##### **Petitioner's Submission**

GETCO has claimed the Income Tax of Rs. 151.74 Crore in the Truing up for FY 2018-19, as against Rs. 64.62 Crore approved in the MYT Order dated March 31, 2017 as given in the Table below:





**Table 4-28 Income Tax claimed by GETCO for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/-
1	Income Tax	64.62	151.74	(87.12)

### **Commission's Analysis**

The Commission notes that GETCO has claimed Income tax amount of Rs. 151.74 Crore, which includes the amount of Rs. 120.33 Crore as per audited accounts and Rs. 31.41 Crore towards past taxes.

The Commission, in Tariff Order dated April 24, 2019 while undertaking Truing up for FY 2017-18, has appropriately dealt with the issue of Income tax. In the said Order, the Commission decided that income tax shall be allowed as current tax reported in audited accounts for respective year.

Further, the Commission notes that, in the Tariff Order for FY 2018-19 dated March 31, 2018, Net ARR including past revenue gaps was approved as Rs. 3950.82 Crore for FY 2018-19. Also, Note 30 of Audited accounts, reflects revenue from transmission charges of Rs. 3,112.96 Crore. The difference in the amount is because of adjustment of past bills by GUVNL, as per Audited accounts for FY 2018-19 of GUVNL. From the above, it is clear that income tax paid by GETCO, is towards the income of transmission charges which are approved by the Commission in respective Tariff Order. No Income tax is paid on income from other non-regulated business.

**Accordingly, the Commission approves the Income tax of Rs. 120.33 Crore for FY 2018-19 as per audited accounts.**

As regards the computation of Gain/(Loss), Regulation 22.1 (h) of the GERC (MYT) Regulations, 2016 considers variation in taxes on income as uncontrollable. The Commission, accordingly, approves the Gain/(Loss) on account of tax on income in the Truing up for FY 2018-19, as detailed in the Table below:

**Table 4-29: Gain/(Loss) from Income Tax approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation +/-	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Income Tax	64.62	120.33	(55.71)		(55.71)



#### 4.11 Capitalization of Expenses

##### Petitioner's Submission

GETCO has claimed actual capitalization of expenses of Rs 257.11 Crore for FY 2018-19 as against Rs. 194.13 Crore approved for the year in the MYT Order dated 31<sup>st</sup> March, 2017, as given in the Table below:

**Table 4-30: Expenses Capitalised claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/-)
1	Expenses Capitalised	194.13	257.11	(62.98)

##### Commission's Analysis

The capitalisation of expenses consists of three elements: (i) Capitalisation of Interest, (ii) Capitalisation of O&M Expenses and (iii) Capitalisation of Depreciation. As far as capitalisation of interest and depreciation is concerned, these are not deducted from the ARR, since the capitalisation is considered for debt-equity and normative computation of interest on loan.

As far as capitalisation of O&M Expenses is concerned, it is required to be deducted from the ARR. The gross O&M Expenses as per audited accounts are allowed in the ARR and, therefore, it is appropriate to consider the deduction of capitalisation of O&M Expenses from the ARR.

The Commission approves the capitalisation of O&M Expenses for FY 2018-19 as shown in the following Table:

**Table 4-31: O&M Expenses Capitalized approved for FY 2018-19 (Rs. Crore)**

Sr No.	Particulars	FY 2018-19
1	Employee Expenses Capitalized	220.65
2	R&M Expenses Capitalized	-
3	A&G Expenses Capitalized	36.46
<b>4</b>	<b>Total Expenses Capitalised</b>	<b>257.11</b>

The Commission, accordingly, approves the Capitalisation of O&M Expenses at Rs. 257.11 Crore, as per the audited annual accounts for the purpose of Truing up for FY 2018-19. The Commission considers the Capitalisation of O&M Expenses as uncontrollable as shown in the Table below:



**Table 4-32: Gain/(Loss) from O&M Expenses Capitalized approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Expenses Capitalised	194.13	257.11	(62.98)		(62.98)

#### 4.12 Non-Tariff Income for FY 2018-19

##### Petitioner's Submission

GETCO submitted that Non-Tariff Income includes income from investments, income from sale of scrap, parallel operation charges, reactive energy charges, O&M charges for dedicated lines and supervision charges of deposit work etc. GETCO has claimed Non-Tariff Income at Rs. 320.75 Crore in the Truing up for FY 2018-19, as against Rs. 331.37 Crore approved for the year in the MYT Order.

**Table 4-33: Non-Tariff Income claimed by GETCO for 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/-
1	Non-Tariff Income	331.37	320.75	10.62

##### Commission's Analysis

The Commission notes that, as per Audited accounts, Non-Tariff Income for FY 2018-19 is Rs. 329.17 Crore. This income includes Non-Tariff Income of Rs. 4.45 Crore for SLDC, which has been excluded for the purpose of Truing up for GETCO. Further, as per settled principle, the interest income on Staff loans and advances of Rs. 3.97 Crore for GETCO has not been considered.

**The Commission, accordingly, approves the Non-Tariff Income of Rs. 320.75 Crore as actual, as per the audited annual accounts in the Truing up for FY 2018-19 as detailed in the Table below:**



**Table 4-34: Non-Tariff Income approved for 2018-19 (Rs. Crore)**

Sr. No.	Particulars	GETCO	SLDC	Net GETCO
1	Parallel Operation Charge	37.47	-	37.47
2	Interest Income from Fixed Deposits	0.18	-	0.18
3	Interest from Banks (other than on Fixed Deposits)	10.43	-	10.43
4	Income from Trading -Stores, Scrap etc.	13.79	-	13.79
5	Penalties Received from Suppliers and Contractors	-	-	-
6	Income towards Govt. Grants/ Subsidies towards Cost of Capital Assets (Deferred amount)	174.04	-	174.04
7	Miscellaneous Receipts.	7.23	0.05	7.18
8	Gain on Foreign Exchange Fluctuation	3.37	-	3.37
9	Misc. Charges from Consumers	13.98	4.33	9.65
10	Reactive Charges Income	13.93	-	13.93
11	Operation & Maintenance Charges	32.37	-	32.37
12	Supervision Income from Execution of Deposit Work	18.25	0.07	18.18
13	Grant for Energy Conservation	0.16	-	0.16
<b>14</b>	<b>Net Non-Tariff Income</b>	<b>325.19</b>	<b>4.45</b>	<b>320.75</b>

The Commission considers the Non-Tariff Income as uncontrollable and, accordingly, approves the Gain/(Loss) on Non-Tariff Income in the Truing up for FY 2018-19, as detailed in the Table below:

**Table 4-35: Gain/(Loss) on Non-Tariff income approved in the Truing up for 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in the Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Non-Tariff Income	331.37	320.75	10.62		10.62

#### **4.13 Incentive for Target Availability Factor**

##### **Petitioner's Submission**

GETCO has achieved the availability of 99.42% for its transmission network during FY 2018-19 as certified by SLDC against the targeted availability of 98.50%. GETCO further submitted that it has computed the incentive on higher availability based on the target availability of 98.50% and the same is presented in the Table below. The incentive is calculated on Aggregate Revenue Requirement.



**Table 4-36: Incentive for Target Availability claimed for FY 2018-19 (Rs. Crore)**

Sr. No	Particulars	2018-19
1	Target Availability as per the MYT Regulations	98.50%
2	Actual Availability	99.42%
3	Aggregate Revenue Requirement (Rs. Crore)	3788.99
4	Incentive for Transmission System Availability (Rs. Crore)	35.39

### Commission's Analysis

The Commission has verified availability of Transmission system from SLDC certificate and found availability to be 99.42%. Incentive has to be given as per the formula mentioned in Regulation 73.1 of the GERC (MYT) Regulations, 2016 as shown below:

$$\text{Incentive} = \text{ATC} \times [\text{Annual availability achieved} - \text{Target Availability}] / \text{Target Availability}$$

The Commission has accordingly worked out the incentive of Rs. 30.84 Crore for the Truing up for FY 2018-19 as detailed in the Table below

**Table 4-37: Incentive for Higher Availability approved for FY 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved for FY 2018-19
1	Target Availability as per MYT Regulations	98.50%
2	Actual Availability	99.42%
3	Aggregate Revenue Requirement (Rs. Crore)	3,372.73
4	Incentive for Transmission System Availability (Rs. Crore)	31.50

The Commission considers the deviation in Incentive as uncontrollable and accordingly approves the Gain/(Loss) in the Truing up for FY 2018-19 as given in the Table below:

**Table 4-38: Gain/ (loss) from Incentive approved for FY 2018-19 (Rs. Crore)**

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Incentive	0.00	31.50	(31.50)		(31.50)



#### **4.14 Gain / (Loss) under Truing Up**

The Commission reviewed the performance of GETCO under Regulation 21 of the GERC (MYT) Regulations, 2016, with reference to the Audited Annual Accounts for FY 2018-19.

The Commission has computed the sharing of Gain and (Loss) for FY 2018-19, based on the Truing up for each of the components discussed in the above paragraphs.

The fixed charges approved for FY 2018-19 in the MYT Order dated 31.03.2017, claimed by GETCO in Truing up (Gain / (Loss)), computed in accordance with the GERC (MYT) Regulations, 2016 are given in the Table below:



**Gujarat Energy Transmission Corporation Limited**  
**Truing Up for FY 2018-19 and Determination of Tariff for FY 2020-21**

**Table 4-39: ARR & Gains /(losses) approved in Truing up Order for FY 2018-19 (Rs. Crore)**

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Operation & Maintenance Expenses	1,556.19	1,382.58	1,382.56	318.38	(144.75)
2	Depreciation	1,132.95	1,011.56	1,007.93		125.02
3	Interest & Finance Charges	596.86	548.23	540.19		56.67
4	Interest on Working Capital	77.64	71.36	67.57		10.06
5	Return on Equity	846.67	835.61	832.01		14.66
6	Exceptional Items	-	365.77	-		-
7	<b>Total Fixed Costs</b>	<b>4,210.30</b>	<b>4,215.11</b>	<b>3,830.26</b>	<b>318.38</b>	<b>61.66</b>
8	Add: Provision for Tax	64.62	151.74	120.33		(55.71)
9	Less: Expenses Capitalized	194.13	257.11	257.11		(62.98)
10	<b>Total Transmission Charges</b>	<b>4,080.79</b>	<b>4,109.74</b>	<b>3,693.48</b>	<b>318.38</b>	<b>68.93</b>
11	Less: Non-Tariff Income	331.37	320.75	320.75		10.62
12	<b>Aggregate Revenue Requirement</b>	<b>3,749.42</b>	<b>3,788.99</b>	<b>3,372.73</b>	<b>318.38</b>	<b>58.31</b>
13	Add: Incentive for target availability	-	35.39	31.50		(31.50)
14	<b>Total ARR</b>	<b>3,749.42</b>	<b>3,824.38</b>	<b>3,404.23</b>	<b>318.38</b>	<b>26.81</b>



#### **4.15 Sharing of Gains / (Losses) for FY 2018-19**

The Commission has analysed the Gain/(Loss) on account of controllable and uncontrollable factors. The relevant Regulations of the GERC (MYT) Regulations, 2016 are extracted below:

***“Regulation 23. Mechanism for pass-through of gains or losses on account of uncontrollable factors***

*23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.*

*23.2 The Generating Company, or Transmission Licensee or SLDC or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the prescribed format to the Commission, along with detailed computations and supporting documents as may be required for verification by the Commission*

*23.3 Nothing contained in this Regulation 23 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time.*

***Regulation 24. Mechanism for sharing of gains or losses on account of controllable factor***

*24.1 The approved aggregate gain to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:*

*a. One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;*

*b. The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.*





24.2 The approved aggregate loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

- a. One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and
- b. The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.”

The revenue (Gap)/Surplus, based on the Trued-up ARR and the Gains / (Losses) approved in the Truing up for FY 2018-19, is summarised in the Table below:

**Table 4-40: Revenue (Gap)/ Surplus approved for 2018-19**

Sr. No	Particulars	Claimed	Approved
1	ARR approved in the MYT Order dated 31.03.2017	3,749.42	3,749.42
2	Gain/(loss) on Account of Uncontrollable Factors to be Passed on to the Consumers	(397.93)	26.81
3	Gain/(loss) on Account of Controllable Factors to be Passed on to the Consumers (1/3rd)	107.66	106.13
4	Revised ARR for 2018-19	4,039.69	3,616.48
5	Revenue (Gap)/Surplus	(290.27)	132.94

The Commission has arrived at a revenue surplus of **Rs. 132.94 Crore** in the truing up for FY 2018-19. This surplus is carried forward to ARR of FY 2020-21 for determination of Transmission Charges.



## 5 Determination of Transmission Charges for FY 2020-21

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### 5.1 Introduction

This Chapter deals with the determination of Transmission Charges for FY 2020-21.

### 5.2 Determination of Transmission Tariff for FY 2020-21

The Table below summarizes the Annual Revenue Requirement, as approved by the Commission in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2020-21:

**Table 5-1: Approved ARR for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	FY 2020-21
1	Operation & Maintenance Expenses	1,882.18
2	Depreciation	1,355.67
3	Interest & Finance Charges	618.80
4	Interest on Working Capital	93.39
5	Return on Equity	1,013.02
6	<b>Total Fixed Costs</b>	<b>4,963.06</b>
7	Less: Expenses Capitalized	194.13
8	Add: Provision for Tax	64.62
9	<b>Total Transmission Charges</b>	<b>4,833.55</b>
10	Less: Non-Tariff Income	331.37
11	<b>Aggregate Revenue Requirement</b>	<b>4,502.18</b>

GETCO has submitted the total loading projected for GETCO system for FY 2020-21 on realistic basis as detailed



**Table 5-2: Total Loading in MW**

Sr. No.	Stations	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected
A	GSECL Plants	5,572	6,326	6,326
B	IPPs	5,181	4,481	4,481
C	Share from Central Sector	5,636	6,479	6,692
D	CPP Wheeling	566	566	566
E	Wind Farm Capacity	5,003	5,396	6,141
F	Solar Project	2,113	2,613	4,363
G	Bio-Mass Power capacity	41	41	41
H	Others (Small/ Mini Hydal & MSW)	53	53	53
	<b>Total Loading in MW</b>	<b>24,164</b>	<b>25,955</b>	<b>28,662</b>

The Petitioner has submitted Transmission Tariff for FY 2020-21, based on the truing up for FY 2018-19. The Commission has determined the Revenue (Gap)/Surplus, based on the truing up for FY 2018-19.

Further, the Commission notes that, in addition to Revenue Gap of Rs. 290.27 Crore on account of Truing up for FY 2018-19, GETCO has proposed Loss of Rs. 7.48 Crore due to recovery of ARR for FY 2019-20 from May 1, 2019. Accordingly, GETCO proposed Total Revenue Gap to be adjusted in ARR for FY 2020-21 as Rs. 297.75 Crore. The Commission notes that Tariff Order for FY 2019-20 was issued on April 24, 2019 and accordingly billing has started from May 1, 2019. Any under-recovery/over-recovery in ARR for FY 2019-20 shall be adjusted at the time of Truing up for FY 2019-20. Hence, the Commission has not included the amount of Rs. 7.48 Crore claimed by GETCO.

The Petitioner's proposal and the Commission's approved Transmission Tariff for FY 2020-21 are given in the Table below:

**Table 5-3: Transmission Tariff for FY 2020-21 (Rs. Crore)**

Sr. No.	Stations	Unit	Claimed	Approved
1	Aggregate Revenue Requirement approved in Tariff Order for FY 2020-21	Rs. Crore	4,502.18	4,502.18
2	Less: Revenue (Gap)/ Surplus for FY 2018-19	Rs. Crore	(297.75)	132.94
3	ARR after considering (Gap)/Surplus of True-up for FY 2018-19	Rs. Crore	4,799.93	4,369.24
4	Total MW allocation	MW	28,662.07	28,662.07
5	Transmission Tariff	Rs./MW/Day	4,588.11	4,176.44



**The Commission, accordingly, approves the Annual Tariff for Transmission for FY 2020-21, as mentioned above.**

Regulation 72.1 of the GERC (MYT) Regulations, 2016 has specified a formula for sharing of the Aggregate Revenue Requirement of the Transmission Licensee, as approved by the Commission, by all Long-Term and Medium-Term users of the transmission system on monthly basis in the ratio of their respective contracted transmission capacities to the total contracted transmission capacity. Accordingly, Transmission ARR for FY 2020-21 as approved by the Commission shall be shared by all Long-Term and Medium-Term users of the transmission system on monthly basis.

Further, the Commission vide the GERC (MYT) (Second Amendment) Regulations, 2018, substituted the Regulations 72.2 and 72.3 of the principal Regulations by the Regulation 72.2 as stated below

*“72.2 For Short-term users, including the collective transactions through power exchanges, the transmission charges shall be determined in Rs. Per kWh in accordance with the following formula:*

$$TC \text{ (Rs./kWh)} = \text{Transmission ARR} \div \text{Total units wheeled,}$$

*Where,*

*Transmission ARR = Aggregate Revenue Requirement of the Transmission Licensee, determined in accordance with Regulation 68 of these Regulations;*

*Total units wheeled = Total energy units wheeled through the transmission system, which shall be equal to the total energy input into the intra-State transmission system during the financial year”*

The Commission has determined Transmission ARR of Rs. 4369.24 Crore for FY 2020-21 as shown in the Table above. The Commission has taken energy input of 105157.95 MUs in Transmission System for FY 2018-19 and Transmission Capacity utilised of 24164 MW during FY 2018-19 as submitted by the Petitioner. Total estimated wheeled units during FY 2020-21 works out as 1,24,732.87 MUs on proportionate basis considering the Transmission Loading Capacity of 28,662.07 MW as submitted by the Petitioner. As per the above formula, Transmission Charges payable by the Short-Term users, including the collective transactions through power exchanges, works out to:

$$\text{TC (Rs/kWh)} = 4,369.24 \text{ Crore} / 1,24,732.87 \text{ MU} = 35.03 \text{ Paise/kWh}$$



### **5.3 Reactive Energy Charges**

The Petitioner in its Petition has submitted for revision of Reactive Energy Charges for all renewable sources i.e Wind, Solar, Biomass, Bagase, Minihydel, MSW, etc as 25 Paisa / kVARh for the drawl of reactive energy at 10% or less of the net energy exported and 50 paise/kVARh for the drawl of reactive energy at more than 10% of the net energy exported. The Petitioner submitted that, in order to maintain grid stability, it is necessary to limit such reactive power consumption through installation suitable compensation devices. GETCO further submitted that the reactive energy charges shall not be applicable to CPP which are co-located with captive load. In cases when the captive load will be connected to the distribution company as EHV/HV consumer where they will be maintaining Contract Demand with DISCOM. The Reactive Energy drawl by the EHV/HV consumers is already being penalized by way of Power Factor penalty as per GERC tariff order for DISCOM and therefore the above charges cannot be applied to such consumers.

After considering the submission of the Petitioner, the Commission is not inclined to revise Reactive Energy Charges for FY 2020-21. However, the same may be considered for next Control period commencing from April 1, 2021 based on substantial data. The Commission decides to continue with the existing Reactive Energy Charges and approved the charges for FY 2020-21 as shown in the following Table:

**Table 5-4: Reactive Energy Charges approved for FY 2020-21**

<b>Sr. No.</b>	<b>Category</b>	<b>Approval Rate</b>
1	For the drawl of reactive energy at 10% or less of the net energy exported	10 Paisa / kVARh
2	For the drawl of reactive energy at more than 10% of the net energy exported	50 Paisa / kVARh



## 6 Compliance of Directives and New Directives

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### 6.1 Compliance of Directives issued by the Commission

In the Tariff Orders issued by the Commission on 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2018 and 24<sup>th</sup> April, 2019, the Commission had given certain directives to GETCO. GETCO has submitted a report on compliance of the Directives issued by the Commission. The comments of the Commission on the submission/compliance of GETCO are given below:

### 6.2 Compliance of Directives issued vide Tariff Order dated March 31, 2018

#### **Directive 1: Submission of Peak and Average Loading of Transmission Elements**

The Commission, while dealing with objections/suggestion of the stakeholders, has observed that many transmission elements are functioning on overloading conditions. GETCO has been directed to adhere to the Manual of CEA on Transmission Planning Criteria to avoid such overloading operation of transmission elements. The Commission has been directing GETCO to submit report on peak and average loading of various 220 kV, 132 kV and 66 kV sub-stations. GETCO is directed to keep submitting the said reports at quarterly interval along with the report on peak loading and average loading of transmission elements. GETCO shall also apprise the Commission on quarterly basis about the transmission elements which are running in overload condition for more than two times in a calendar month.

#### **GETCO Compliance/Action taken/initiated:**

GETCO has submitted a report on average as well as peak loading of various 220kV, 132kV and 66kV substations in Gujarat for 2<sup>nd</sup> Quarter of FY 2019-20.

Further, GETCO has submitted the loading of important EHV elements during the 2<sup>nd</sup> Quarter of FY 2019-20 and EHV transmission elements, which are running in overload condition for more than two times in a calendar month during the 2<sup>nd</sup> Quarter of FY 2019-20

#### **Commission's Comment:**

The Commission noted the submission of the Petitioner. GETCO is directed to continue submitting report in this regard on quarterly basis.



### **6.3 Compliance of Directives issued vide Tariff Order dated March 31, 2017**

**Directive 1 and 2: Prior concurrence for any deviation in capitalization across voltage classes/schemes and quarterly submission of scheme wise progress report.**

The Commission, while observing deviation in capitalization across voltage classes/scheme, directed GETCO to have prior concurrence with due justification for any deviation in capitalization across voltage classes/schemes. Further, based on inability of GETCO to incur capitalization approved by the Commission and having deviated approved capitalization during second MYT Control Period i.e. FY 2011-12 to FY 2015-16, GETCO was directed to keep the Commission apprised about progress made in scheme-wise capitalization and also to have prior approval of the Commission while incurring CAPEX in excess of Rs. 50 Crore over the approved capitalization with due justification.

#### **Commission's comments:**

While noting the compliance of GETCO, it is to state that the said deviation has also been observed during FY 2016-17. Explanation for such deviation was sought and provided by GETCO where same reasons have been furnished by GETCO such as RoW, public/farmers protest and long delay in statutory clearances. Stakeholders have also raised the objection on deviation in capex across voltage class/ schemes which are detailed in Chapter 3 of this Order. Though, justification provided by GETCO for deviation of Capex across voltage class/ schemes have been noted, the Commission has a strong opinion that GETCO should adhere to approved Capex and should plan ahead considering the said issues being faced in laying down transmission network and also should adhere to criteria specified in the Manual of CEA on Transmission Planning Criteria and should plan transmission network for future based on the system studies. GETCO is further directed to submit report on scheme wise physical and financial progress of voltage class wise transmission schemes as against approved schemes in the MYT Order dated 31.03.2017, on half yearly basis regularly.

#### **GETCO Compliance/Action taken/initiated:**

GETCO plans its transmission network in line with CEA planning criteria after detail system study. Such transmission network will support existing grid condition as well as its improvement and future expansion.

Adhere to its planning; GETCO executes projects based on the system requirement & priority and incurred capital expenditure year on year basis. GETCO also monitors



progress and capital expenditure of projects in detail. However, it is to submit that, the deviation in capitalization across voltage classes/ schemes can only be ascertained by GETCO at the end of project completion or at the end of financial year, where amount of asset commissioned is shifted from Capital Work in Progress to Fixed Assets. As it is known that transmission assets above 66 kV network require more than 2-3 years to complete and when it is completed/ put to use, then only it is capitalized. Before that the expenditure incurred in that transmission assets will be in Capital Work in Progress and does not reflect in capitalization. At the mid of the year GETCO is able to provide the details of capital expenditure incurred on the transmission assets under progress against approved by the Commission in MYT for FY 2016-17 to FY 2020-21.

As per the direction of the Commission to apprise about scheme-wise physical & financial progress (Rs. in Crore) of the assets approved by the Commission for the FY 2019-20 in MYT for FY 2016-17 to FY 2020-21, summary of the approved & actual capital expenditure for FY 2019-20 is as under.

Sr. No.	PARTICULAR	CAPEX APPROVED FOR FY 2019-20	CAPEX INCURRED FOR FY 2019-20	TOTAL CAPEX INCURRED TILL 31.10.2019 INCLUDING SPILL OVER PROJECTS
1	765 KV SUB STATION	99	0	0
2	765 KV LINES	179	0	0
3	400 KV SUB STATION	495	180.19	187.51
4	400 KV LINES	611	136.4	151.88
5	220 KV SUB STATION	224	126.93	165.44
6	220 KV LINES	245	54.88	88.08
7	132 KV SUB STATION	0	0.19	4.62
8	132 KV LINES	23	1.42	15.38
9	66 KV SUB STATION	372	115	181.83
10	66 KV LINES	136	89	118.82
	<b>TOTAL (NEW PROJECTS)</b>	<b>2384</b>	<b>704</b>	<b>913.56</b>

Detail status report of Scheme-wise physical & financial progress (Rs. in Crore) of the 132 KV & above substations approved by the Commission for FY 2018-19 are as under:

Sr. No.	VOLTAGE CLASS	NAME OF SUBSTATION	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (-1-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31.10.2019)	STATUS	TARGET	WORKS
	765 KV		99		0.00	DEFERRED		
	765 KV TOTAL		99		0.00			
1	400 KV	400 KV SANKHARI	0.00	0.00	0.00	COMPLETED	2016-17	NEW SUBSTATION
2	400 KV	400 KV HADALA (4TH ICT)	0.00		0.00	COMPLETED	2016-17	AUGMENTATION OF EXISTING SUBSTATION
3	400 KV	400 KV KASOR (3RD ICT)	0.00		0.00	COMPLETED	2016-17	AUGMENTATION OF EXISTING SUBSTATION





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4	400 KV	400 KV AMRELI (4TH ICT)	0.00		0.00	COMPLETED	2016-17	AUGMENTATION OF EXISTING SUBSTATION
5	400 KV	400 KV ZERDA	0.00		0.00	COMPLETED	2017-18	AUGMENTATION OF EXISTING SUBSTATION
6	400 KV	400 KV CHHARODI (GIS)	100.00	0.53	259.57	COMPLETED	2018-19	NEW SUBSTATION
7	400 KV	400 KV SOJA	0.00		0.00	COMPLETED	2017-18	AUGMENTATION OF EXISTING SUBSTATION
8	400 KV	400 KV CHORANIA	0.00		0.00	COMPLETED	2018-19	AUGMENTATION OF EXISTING SUBSTATION
9	400 KV	400 KV BHACHUNDA (GIS)	15.46	7.44	79.05	WIP	2019-20	NEW SUBSTATION
10	400 KV	UP-GRADATION OF 220 KV VAV TO 400 KV LEVEL (GIS)	50.00	27.27	100.75	WIP	2019-20	NEW SUBSTATION
11	400 KV	400 KV FEDRA	100.00	132.75	139.23	WIP	2020-21	NEW SUBSTATION
12	400 KV	400 KV BHOGAT	50.00	6.03	10.02	WIP	2020-21	NEW SUBSTATION
13	400 KV	400 KV KASOR (4TH ICT)	0.00		0.00	COMPLETED	2018-19	AUGMENTATION OF EXISTING SUBSTATION
14	400 KV	400 KV KALAVAD	40.00	1.97	1.97	NIT TO BE DONE	2020-21	NEW SUBSTATION
15	400 KV	400 KV ACHHALIA	40.00		0.00	NIT TO BE DONE	2022-23	NEW SUBSTATION
16	400 KV	400 KV KV PRANTIJ	40.00	0.24	10.90	NIT TO BE DONE	2022-23	NEW SUBSTATION
17	400 KV	400 KV SHAPAR	40.00	0.57	0.63	WIP	2020-21	NEW SUBSTATION
18	400 KV	400 KV KESHOD GIS	5.00		0.00	LAND YET TO ACQUIRE	2022-23	NEW SUBSTATION
19	400 KV	400 KV PIPAVAV	5.00	3.40	3.40	LAND ACQUIRED	2022-23	NEW SUBSTATION
20	400 KV	400 KV CHHARA	5.00		0.00	DROPPED	2021-22	NEW SUBSTATION
21	400 KV	400 KV CHIKHLI	5.00		0.00	NIT TO BE DONE	2023-24	NEW SUBSTATION
	400 KV TOTAL		495.46	180.19	180.19			
22	220 KV	400 KV CHHARODI (GIS)	0.00		259.04	COMPLETED	2017-18	220/66 KV SYSTEM AT 400 KV CHHARODI (SANAND) SUBSTATION
23	220 KV	220 KV BHACHUNDA	0.00	9.79	9.79	COMPLETED	2018-19	220/66 KV SYSTEM AT BHACHUNDA
24	220 KV	400 KV SANKHARI (VELODA) SUBSTATION	0.00		147.36	COMPLETED	2018-19	220/132 KV SYSTEM AT 400 KV SANKHARI SUBSTATION



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25	220 KV	400 KV ACHHALIA	0.00		0.00	NIT TO BE DONE	2021-22	220/66 KV SYSTEM AT 400 KV ACHHALIA SUBSTATION
26	220 KV	400 KV KV PRANTIJI	0.00		10.66	NIT TO BE DONE	2021-22	220/66 KV SYSTEM AT 400 KV PRANTIJI SUBSTATION
27	220 KV	400 KV SANKHARI	0.00		0.00	WIP	2019-20	220/66 KV SYSTEM AT 400 KV SANKHARI SUBSTATION
28	220 KV	220 KV BECHRAJI	0.00	0.00	0.00	COMPLETED	2016-17	NEW SUBSTATION
29	220 KV	UP-GRADATION OF 132 KV GOTRI TO 220 KV	0.00	0.06	0.06	COMPLETED	2016-17	NEW SUBSTATION
30	220 KV	400 KV KASOR	0.00		0.00	COMPLETED	2017-18	220/66 KV SYSTEM AT EXISTING 400 KV KASOR SUBSTATION
31	220 KV	220 KV RAJULA	0.00		0.00	COMPLETED	2018-19	NEW SUBSTATION
32	220 KV	220 KV SANTEJ	0.00	0.28	0.28	WIP	2019-20	NEW SUBSTATION
33	220 KV	220/66 KV BAGODARA	0.00		8.57	COMPLETED	2018-19	NEW SUBSTATION
34	220 KV	220 KV VISAVADAR	0.00	0.04	0.04	WIP	2017-18	220/132 KV SYSTEM AT EXISTING 220 KV VISAVADAR SUBSTATION
35	220 KV	220 KV KAWANT	0.00	0.25	0.25	COMPLETED	2017-18	NEW SUBSTATION
36	220 KV	220 KV KAWANT	0.00		0.00	COMPLETED	2017-18	132/66 KV SYSTEM AT 220 KV KAWANT SUBSTATION
37	220 KV	220 KV KHAJOD	0.00		0.00	NIT TO BE DONE	2021-22	NEW SUBSTATION
38	220 KV	400 KV KALAVAD	13.78		0.00	WIP	2019-20	NEW SUBSTATION (220/66 KV SYSTEM IN PHASE-1 AND 400/220 KV IN PHASE-2)
39	220 KV	400 KV FEDRA	12.00		6.48	WIP	2019-20	220/66 KV SYSTEM AT 400 KV FEDRA SUBSTATION
40	220 KV	220 KV MESANKA (GARIYADHAR)	0.00	9.04	11.33	WIP	2020-21	NEW SUBSTATION
41	220 KV	220 KV BAREJDI	0.00	5.87	6.88	WIP	2019-20	NEW SUBSTATION
42	220 KV	220 KV VIRPORE	0.00	12.81	12.81	WIP	2019-20	NEW SUBSTATION
43	220 KV	220 KV MOTI GOP	0.00	8.85	33.42	WIP	2019-20	NEW SUBSTATION



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44	220 KV	220 KV VESU (GIS)	0.00		0.00	LAND YET TO ACQUIRE	2023-24	NEW SUBSTATION
45	220 KV	UP-GRADATION OF 132 KV WANKANER TO 220 KV (GIS)	11.62	5.21	19.98	WIP	2019-20	220/66 KV SYSTEM AT 220 KV WANKANER SUBSTATION
46	220 KV	220 KV MAKANSAR	20.00		4.39	LAND ACQUIRED	2021-22	NEW SUBSTATION
47	220 KV	220 KV AMOD (UP-GRADATION OF 66 KV TO 220 KV - HYBRID)	0.00	2.08	2.08	COMPLETED	2018-19	NEW SUBSTATION
48	220 KV	220 KV VONDH	0.00	17.04	22.23	WIP	2019-20	220/132 KV SYSTEM AT EXISTING 220 KV VONDH SUBSTATION
49	220 KV	220 KV BIL	0.00		0.00	-	2023-24	NEW SUBSTATION
50	220 KV	220 KV OLPAD	0.00	2.11	2.11	-	2024-25	NEW SUBSTATION
51	220 KV	220 KV BAGASARA	0.00		0.00	-	2023-24	NEW SUBSTATION
52	220 KV	220 KV METODA S/S	0.00	0.00	0.00	-	2021-22	NEW SUBSTATION
53	220 KV	220 KV DHANAJ S/S	0.00		0.00	-	2021-22	NEW SUBSTATION
54	220 KV	400 KV BHOGAT	12.00		3.99	WIP	2020-21	220/66 KV SYSTEM AT 400 KV BHOGAT SUBSTATION
55	220 KV	220 KV BALASINOR	0.00		0.00	-	2021-22	NEW SUBSTATION
56	220 KV	220 KV BABARA	20.00	12.07	13.40	WIP	2019-20	NEW SUBSTATION
57	220 KV	220 KV RUPKHEDA (ZALOD)	15.00	16.41	24.70	WIP	2019-20	NEW SUBSTATION
58	220 KV	220 KV ZALOD	10.00		0.00	WIP	2019-20	220/132 KV SYSTEM AT 220 KV ZALOD SUBSTATION
59	220 KV	220 KV CHILODA (UP-GRADATION OF 132 KV TO 220 KV - GIS)	10.00		0.00	LAND AVAILABLE.	2023-24	NEW SUBSTATION
60	220 KV	220 KV CHILODA	0.00		0.00	LAND AVAILABLE.	2023-24	220/132 KV SYSTEM AT 220 KV CHILODA SUBSTATION
61	220 KV	220 KV TALAJA	10.00	5.00	6.58	WIP	2020-21	NEW SUBSTATION
62	220 KV	220 KV GONDAL-II	5.00		1.85	-	2021-22	NEW SUBSTATION
63	220 KV	400 KV SHAPAR	0.00		0.06	WIP	2020-21	220/66 KV SYSTEM AT 400 KV SHAPAR SUBSTATION



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64	220 KV	220 KV SARIGAM	0.00		0.00	-	2021-22	NEW SUBSTATION
65	220 KV	220 KV VERAVAL	5.00		0.00	-	2023-24	NEW SUBSTATION
66	220 KV	220 KV HALOL	15.00		0.00	-	2024-25	NEW SUBSTATION
67	220 KV	220 KV MAGLANA	15.00	0.02	9.43	LAND ACQUIRED	2025-26	NEW SUBSTATION
68	220 KV	220 KV BHAT (UP-GRADATION OF 66 KV TO 220 KV - GIS)	40.00		0.00	LAND AVAILABLE.	2024-25	NEW SUBSTATION
69	220 KV	220 KV BHAT	10.00		0.00	LAND AVAILABLE.	2024-25	220/132 KV SYSTEM AT 220 KV BHAT SUBSTATION
70	220 KV	220 KV RAJKOT II	0.00		0.00	-	2025-26	NEW SUBSTATION
71	220 KV	REACTORS	0.00	15.00	15.00	WIP	2020-21	REACTORS
72	220 KV	220KV KHAMBHALIA (KUVADIYA) S/S	0.00	5.00	5.00	LAND ACQUIRED	2021-22	NEW SUBSTATION
	220 KV	TOTAL	224.4	126.93	126.93			
73	132 KV	132 KV PIPLI	0.00		0.00	DEFERRED	-	NEW SUBSTATION
74	132 KV	132 KV MOTA DAHISARDA	0.00	0.01	0.01	COMPLETED	2016-17	NEW SUBSTATION
75	132 KV	132 KV CHANDKHEDA	0.00	0.16	0.16	COMPLETED	2016-17	NEW SUBSTATION
76	132 KV	132 KV VAGHASIA	0.00	0.03	0.03	COMPLETED	2016-17	NEW SUBSTATION
77	132 KV	UP-GRADATION OF 66 KV TANKARA TO 132 KV	0.00	0.00	0.00	COMPLETED	2017-18	NEW SUBSTATION
78	132 KV	132/66 KV SYSTE AT 132 KV SITAGADH	0.00		0.00	-	2018-19	132/66 KV SYSTEM AT EXISTING 132/11 KV SITAGADH SUBSTATION
		TOTAL	0.00	0.19	0.19			

Scheme-wise physical & financial progress (Rs. in Crore) of the 132 kV & above transmission lines approved by the Commission for FY 2019-20 in the MYT Order dated 31<sup>st</sup> March, 2017 are as under:

Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
1	765 KV	765 KV D/C DHUVARAN- CHHARODI LINE	179		0.00	
		765 KV TOTAL	179.00		0.00	



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Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
1	400 KV	LILO OF PROPOSED 400 KV D/C VADAVI - ZERDA LINE AT SANKHARI (TWIN MOOSE)	0.00		0.00	WIP
2	400 KV	400 KV VADINAR - AMRELI LINE (TWIN MOOSE)	0.00	1.94	1.94	WIP
3	400 KV	400 KV D/C CHARANKA - SANKHARI (TWIN MOOSE)	0.00		0.00	WIP
4	400 KV	400 KV D/C VADAVI - HALVAD LINE	0.00	4.56	9.57	WIP
5	400 KV	400 KV S/C ADANI - HADALA LINE LILO AT HALVAD	0.00		10.08	WIP
6	400 KV	400 KV D/C UNIT NO.8 SWITCHYARD - EXISTING SWITCHYARD	0.00		0.00	SCOPE TO BE INCLUDED IN 400KV W-S LINE (P-1) AS ADDITIONAL WORK.
7	400 KV	LILO ONE CKT OF 400 KV D/C KOSAMBA - CHORANIA LINE AT 400 KV CHHARODI S/S (ACSR TWIN MOOSE)	0.00		0.00	WIP
8	400 KV	400 KV D/C VARSANA - HALVAD (QUAD MOOSE)	40.00	42.59	238.00	WIP
9	400 KV	400 KV D/C KASOR - AMRELI LINE (QUAD MOOSE)	20.00	0.60	372.19	WIP
10	400 KV	400 KV D/C WANAKBORI TPS - SOJA	40.00	0.59	0.59	WIP
11	400 KV	LILO OF EXISTING 400 KV S/C WANKABORI - SOJA LINE AT 400 KV DEHGAM (PG) SUBSTATION (TWIN MOOSE) 400KV DEHGAM LILO LINE	0.00	1.31	1.31	NIT DONE
12	400 KV	400 KV D/C SOJA - ZERDA LINE (TWIN MOOSE) 400 KV D/C SOJA-ZERDA LINE-2	47.00	2.78	2.78	WIP
13	400 KV	LILO OF ONE CIRCUIT OF 400 KV D/C UKAI - KOSAMBA LINE AT 400 KV VAV SUBSTATION	0.00	1.86	58.20	TENDER UNDER ACCEPTANCE
14	400 KV	LILO OF ONE CIRCUIT OF 400 KV D/C JHANOR - NAVSARI LINE AT 400 KV VAV SUBSTATION	0.00	1.99	23.09	TENDER UNDER ACCEPTANCE
15	400 KV	LILO OF BOTH CIRCUITS OF 400 KV D/C MUNDRA - ZERDA LINE AT CHARANKA SUBSTATION 400KV CHARANKA LILO LINE	0.00	0.45	0.45	NIT BY JUL-16
16	400 KV	400 KV D/C BHACHUNDA - VARSANA LINE	63.00	23.21	121.19	
17	400 KV	400 KV D/C MUNDRA- ZERDA LINE-1	50.00	0.15	0.15	WIP
18	400 KV	400 KV D/C SHAPAR - FEDRA LINE (TWIN MOOSE)	37.50	3.49	3.49	NIT BY JUL-16
19	400 KV	400 KV D/C HADALA - SHAPAR LINE (TWIN MOOSE)	9.75	12.68	42.69	NIT DONE
20	400 KV	LILO OF ONE CKT OF 400 KV D/C KOSAMBA - CHORANIA AT 400 KV FEDRA	0.00	6.12	34.14	WIP
21	400 KV	LILO OF ONE CKT OF 400 KV D/C HALVAD - VADAVI LINE AT 400 KV CHHARODI S/S (ACSR TWIN MOOSE)	24.00	11.93	11.93	-
22	400 KV	400 KV D/C BHOGAT - KALAVAD LINE	50.63	18.04	18.04	NIT DONE
23	400 KV	LILO OF BOTH CIRCUITS OF 400 KV D/C VADINAR - HADALA LINE AT 400 KV KALAVAD S/S	0.00		0.00	WIP



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Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
24	400 KV	LILO OF BOTH CIRCUITS OF PROPOSED 400 KV D/C KASOR - AMRELI LINE AT FEDRA S/S	50.00		0.00	-
26	400 KV	LIL O OF ONE CKT OF PROPOSED 400 KV D/C WANAKBORI - SOJA LINE AT PRANTIJ S/S	15.00	2.13	55.24	-
27	400 KV	400 KV D/C SANKHARI - PRANTIJ	40.00		17.25	-
28	400 KV	400 KV D/C BHACHUNDA - BHUJ POOL (PG) LINE	50.00		0.00	-
33	400 KV	LILO OF BOTH CIRCUIT OF 400 KV D/C KAKRAPAR - VAPI (PG) LINE AT 400 KV CHIKHLI SUBSTATION (TWIN MOOSE)	5.00		0.00	-
34	400 KV	LILO OF ONE CIRCUIT OF PLANNED 400 KV D/C UKAI -KOSAMBA LINE AT NEW S/S NEAR CHIKHLI	5.00		0.00	-
	400 KV	400 KV D/C DHUVARAN- FEDRA (QUAD) LINE	64.00		0.00	
400 kV TOTAL			610.88	136.40	136.40	
35	220 KV	220 KV D/C RADHANPUR - SANKHARI (400 KV)	0.00	0.02	0.02	WIP
36	220 KV	220 KV D/C VISAVADAR - TIMBDI LINE	0.00		0.00	WIP
37	220 KV	220 KV D/C AMRELI - VISAVADAR	0.00	1.67	1.67	WIP
39	220 KV	220 KV D/C MITHA (JOTANA) - BECHRAJI LINE	0.00		0.00	WIP
40	220 KV	RECTIFICATION OF 132 KV D/C GOTRI - JAMBUVA LINE TO CHARGE AT 220 KV LEVEL	0.00		0.00	WIP
41	220 KV	TERMINATION OF ONE D/C LINE OF 220 KV 2 X D/C ACHHALIA - JAMBUVA LINE AT JAROD S/S	0.00	1.61	1.61	WIP
42	220 KV	LILO OF 220kV S/C KASOR-VARTEJ LINE AND 220kV S/C KARAMSAD-VARTEJ LINE AT 400kV PACHCHAAM S/S ON M/C TOWER	0.00	-0.03	-0.03	WIP
43	220 KV	LILO OF PROPOSED 220 KV D/C SANKHARI - JANGRAL LINE AT SANKHARI (400 KV) S/S	0.00		0.00	WIP
44	220 KV	220 KV D/C GAVASAD - SALEJDA LINE	0.00	0.41	0.41	WIP
45	220 KV	LILO OF 220 KV S/C ZAGADIA - HALDARWA LINE AT JHANOR TPS	0.00		0.00	WIP
46	220 KV	LILO OF BOTH CKT OF 220 KV D/C JAMANWADA (SUZLON), WIND FARM - VARSANA LINE AT BHACHUNDA S/S	0.00		0.00	WIP
47	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C AKRIMOTA TPS – NAKHATRANA LINE AT BHACHUNDA SUBSTATION	0.00		20.89	WORK AWARDED
48	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C GPPC - SAVARKUNDLA LINE AT 220 KV RAJULA SUBSTATION (ACSR ZERBA)	0.00		0.00	-
49	220 KV	LILO OF 220 KV S/C VADAVI - CHHATRAL LINE AT 220 KV SANTEJ SUBSTATION	0.00	5.09	5.09	WIP
50	220 KV	LILO OF BOTH CIRCUITS OF 220 KV D/C TEBHDA- RAJKOT LINE AT PROPOSED 400 KV KALAVAD SUBSTATION	0.00		0.00	WIP



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Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
51	220 KV	LILO OF 220 KV S/C SALEJADA - CHORANIA LINE AT 220 KV BAGODARA SUBSTATION	0.00	0.05	0.05	-
52	220 KV	220KV D/C VADODARA(PG) – VYANKATPURA LINE	0.00		0.00	SURVEY DONE
53	220 KV	220KV D/C VADODARA(PG) – JAMBUVA LINE	0.00	5.67	11.11	SURVEY DONE
54	220 KV	LILO OF 220 KV S/C TAPPAR - HADALA LINE AT 220 KV BHACHAU SUBSTATION	0.00	0.21	0.21	-
55	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C MOTI PANELI - SARDARGADH LINE AT 220 KV SHAPUR SUBSTATION	0.00		0.00	-
56	220 KV	LILO OF ONE CKT OF 220 KV D/C VYANKATPURA - ACHHALIA LINE AT 220 KV KAWANT	0.00	0.11	43.63	WIP
57	132 KV	LILO OF 132 KV S/C CHHOTA UDEPUR - TILAKWADA LINE AT 220 KV KAWANT	0.00		0.00	-
58	220 KV	LILO OF BOTH CKT OF 220 KV D/C KAWAS - NVASARI(PG) LINE AT 220 KV KHAJOD S/S	0.00		0.00	-
59	220 KV	220 KV D/C BHATIA - KALAVAD LINE	0.00	0.00	0.00	WIP
60	220 KV	220 KV D/C KALAVAD - KANGASIALI	0.00	0.62	0.62	WIP
62	220 KV	220 KV D/C CHORANIA - BOTAD LINE	0.00	0.60	3.91	WIP
63	220 KV	LILO OF 220 KV S/C VAPI - CHIKHLI & BHILAD - CHIKHLI LINES AT 400 KV CHIKHLI	35.00		0.00	-
64	220 KV	LILO OF ONC CKT OF 220 KV D/C AMRELI - DHASA AT 220 KV BOTAD	0.00	1.08	1.08	WIP
65	220 KV	LILO OF 220 KV S/C SAVARKUNDLA - SAGAPARA LINE AT GARIYADHAR SUBSTATION	0.00		0.00	SURVEY DONE
66	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C AMRELI - DHASA LINE AT GARIYADHAR	0.00		0.00	SURVEY DONE
67	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C KARAMSAD - RANASAN LINE AT BAREJADI	0.00	0.09	0.09	WIP
68	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C UKAI(THERMAL) - ACHHALIA LINE AT 220 KV VIRPORE	0.00	0.06	0.06	SURVEY DONE
69	220 KV	LILO OF 220 KV S/C UKAI(THERMAL) - ACHHALIA LINE - 3 AT 220 KV VIRPORE	0.00		0.00	-
70	220 KV	220 KV D/C VIRPORE - CHIKHLI LINE	28.46		0.00	-
71	132 KV	LILO OF ONE CKT OF 132 KV D/C DHUVARAN - DHANDHUKA LINE AT 132 KV PIPLI SUBSTATION	0.00		0.00	-
72	220 KV	LILO OF 220 KV S/C VAPI (GETCO) – BHILAD LINE AT CHIKHLI SUBSTATION	11.25		0.00	NIT DONE
73	220 KV	LILO OF 220 KV D/C TEBHDA - RAJKOT (NYARA) LINE AT 220 KV MOTI GOP SUBSTATION		1.21	17.65	NIT DONE
74	220 KV	220 KV D/C BHOGAT (400 KV) - MOTI GOP LINE	12.81	11.76	23.73	NIT DONE
75	220 KV	LILO OF BOTH CIRCUIT OF 220 KV D/C KAWAS - NAVSARI (PG) LINE AT 220 KV VESU SUBSTATION (2220 KV U/G CABLE)	0.00		0.00	-



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SR. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
76	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C HADALA - SARTANPAR LINE AT 220 KV WANKANER SUBSTATION	0.00	0.01	5.56	TENDER UNDER ACCEPTANCE
77	220 KV	LILO OF 220 KV S/C LALPAR - SARTANPAR LINE AT 220 KV WANKANER SUBSTATION ON M/C TOWER BY DISMANTLING OF EXISTING 132 KV S/C LALPAR - WANKANER LINE	0.00	5.28	12.46	NIT DONE
78	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C GANDHINAGAR TPS - CHHATRAL LINE AT 400 KV VADAVI SUBSTATION	1.53	1.01	1.01	NIT DONE
79	220 KV	LILO OF 220 KV S/C VADAVI – CHHATRAL & VADAVI – GANDHINAGAR TPS AT DHANAJ SUBSTATION	0.00		0.00	-
80	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C KASOR - GAVASAD LINE AT 220 KV GOTRI SUBSTATION	0.00	1.35	1.35	SURVEY DONE
81	220 KV	LILO OF 220 KV S/C SARTANPAR - WANKANER LINE AT 220 KV MAKANSAR SUBSTATION	0.00		0.00	-
82	220 KV	LILO OF 220 KV S/C MORBI - HADALA LINE AT 220 KV MAKANSAR SUBSTATION	0.00		0.00	-
83	220 KV	LILO OF ONE CKT OF 220 KV D/C GPEC - KARAMSAD LINE AT 220 KV BIL	4.84		0.00	-
84	220 KV	LILO OF ONE CKT OF 220 KV D/C GAVASAD - SALEJDA LINE AT 220 KV BIL	12.51		0.00	-
85	220 KV	LILO OF BOTH CKT OF 220 KV D/C GSEG - KOSAMBA LINE AT 220 KV OLPAD S/S	0.00		0.00	-
86	220 KV	LILO OF 220 KV S/C SAVARKUNDLA - VISAVADAR AT BAGASARA S/S	2.13		0.00	SURVEY DONE
87	220 KV	LILO OF 220 KV S/C JETPUR - RAJKOT LINE AT METODA S/S	2.13		0.00	-
88	220 KV	LILO OF 220 KV S/C CHORANIA - SARLA & SARLA - GONDAL LINE (DUE TO LILO OF 220 KV S/C CHORANIA - GONDAL LINE AT SARLA S/S) AT SHAPAR S/S	6.00		0.00	-
89	220 KV	220 KV BHOGAT - BHATIA LINE	0.00		8.78	NIT DONE
90	220 KV	220 KV BHOGAT - RANAVAV LINE	9.15		30.83	NIT DONE
91	220 KV	220 KV D/C PIRANA (PG) - BAREJADI LINE	2.00	3.01	3.01	NIT DONE
92	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C WANAKBORI - ASOJ LINE AT 220 KV BALASINOR	0.00		0.00	-
93	220 KV	220 KV D/C AMRELI - BABARA LINE	3.05	1.08	1.08	-
94	220 KV	220 KV D/C BABARA - GONDAL-II LINE	30.32		0.00	-
95	220 KV	220 KV D/C BABARA - SHAPAR LINE	5.49	13.08	13.15	-
96	220 KV	LILO OF 220 KV S/C KADANA - GODHRA LINE AT 220 KV ZALOD	5.00	-0.15	33.01	WIP
97	220 KV	220 KV D/C WANAKBORI TPS - ZALOD LINE ALONG WITH ONE CIRCUIT LILO AT SAVDASNA MUVADA	10.00		0.00	-
98	220 KV	LILO OF BOTH CIRCUITS OF 220 KV D/C OTHA - SAGAPARA LINE AT TALAJA	3.29		0.00	-





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Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
99	220 KV	LILO OF 220 KV D/C UKAI (TH) - ACHHALIA LINE AT 400 KV ACHHALIA	0.00		0.00	-
100	220 KV	TERMINATION OF 220 KV D/C GPEC - HALDARWA LINE AT ACHHALIA (400 KV) INSTEAD OF HALDARWA S/S (ZEBRA)	9.15		0.00	-
101	220 KV	220 KV D/C SUVA - ACHHALIA (400 KV) LINE	6.23		0.00	-
102	220 KV	220 KV D/C PRANTIJ - AGIYOL INE	5.53		0.00	-
103	220 KV	220 KV D/C PRANTIJ - DHANSURA LINE (AP-59)	2.00		0.00	-
104	220 KV	220 KV D/C BABRA - GONDAL-II	10.87		0.00	-
105	220 KV	LILO OF 220 KV S/C TARAPUR - VAPI LINE AT UMARGAON	0.00		0.00	-
106	220 KV	LILO OF 220 KV S/C TARAPUR - BHILAD LINE AT UMARGAON	0.00		0.00	-
107	220 KV	LILO OF 220 KV S/C KESHOD - TIMBDI LINE AT 220 KV VERAVAL	0.00		0.00	-
108	220 KV	220 KV D/C CHHARA - VERAVAL LINE	0.00		0.00	-
109	220 KV	220 KV D/C PIPAVAV - RAJULA LINE	0.00		0.00	-
110	220 KV	LILO OF ONE CIRCUIT OF 220 KV D/C CHANDRAPURA - GODHARA LINE AT 220 KV HALOL	0.00		0.00	-
111	220 KV	220 KV D/C VYANKATPURA - HALOL LINE	3.94		0.00	-
112	220 KV	220 KV D/C VATAMAN (PG) – BAGODARA LINE	2.31		0.00	-
113	220 KV	220 KV D/C AMRELI (400 KV) - MAGLANA LINE	1.77		0.00	-
114	220 KV	LILO OF 220 KV S/C VALLABHIPUR - VARTEJ LINE AT 220 KV MAGLANA SUBSTATION	0.00		0.00	-
116	220 KV	220 KV D/C VONDH - RADHANPUR LINE	16.05		0.00	SURVEY DONE
117	220 KV	LILO OF BOTH CIRCUIT OF 220 KV D/C VISAVADAR - TIMBDI LINE AT 400 KV KESHOD SUBSTATION	0.00		0.00	-
118	220 KV	220 KV D/C KESHOD (400 KV) - KESHOD LINE	0.00		0.00	-
119	220 KV	220 KV D/C KESHOD (400 KV) - VERAVAL LINE	2.00		0.00	-
120	220 KV	LILO OF 220 KV S/C CHORANIA - GONDAL INE AT RAJKOT-II S/S	0.00		0.00	-
121	220 KV	220 KV HADALA - RAJKOT-II LINE	0.00		0.00	-
122	220 KV	LILO OF 220 KV D/C BHATIA - KALAVAD - KANGASIYALI LINE AT KHAMBHALIA-II	0.00		0.00	-
123	220 KV	220 KV D/C PIPAVAV - OTHA LINE	0.00		0.00	-
124	220 KV	220 KV D/C PIPAVAV - BAGASARA LINE	0.00		0.00	-
126	220 KV	220 KV CHHARA - DHOKADVA	0.00		0.00	-
		<b>220 KV TOTAL</b>	<b>244.81</b>	<b>54.88</b>	<b>54.88</b>	
129	132 KV	LILO OF BOTH CKT OF 132 KV D/C VASHAMEDI - WANKANER LINE AT 132 KV MOTA DAHISARA S/S	0.00	0.02	0.02	WIP
130	132 KV	132 KV S/C ACHHALIA - TILAKWADA LINE (PANTHER)	0.00	0.29	0.29	WIP
131	132 KV	132 KV S/C TILAKWADA - CHHOTAUDEPUR (PANTHER)	0.00	0.01	0.01	WIP



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Sr. No.	VOLTAGE CLASS	NAME OF TRANSMISSION LINE	APPROVED CAPITAL EXPENDITURE	CAPITAL EXPENDITURE (01-04-2019 TO 31-10-2019)	TOTAL EXPENDITURE (AS ON 31-10-2019)	STATUS
132	132 KV	LILO OF ONE CKT OF 132 KV D/C RANASAN - SABARMATI LINE AT CHANDKHEDA (U/G CABLE)	0.00		0.00	WIP
133	132 KV	LILO OF 132 KV S/C SARTANPAR - WANKANER LINE AT VAGHASIA	0.00		0.00	WIP
134	132 KV	132 KV D/C ODE - MANJUSAR LINE	0.00		0.00	WIP
135	132 KV	LILO OF ONE CKT OF 132 KV D/C DHUVARAN - VATVA LINE AT MAHEMDABAD S/S	0.00		0.00	WIP
136	132 KV	LILO OF 132 KV S/C JUNAGADH - TALALA LINE AT 220 KV SHAPUR	0.00	0.10	0.10	SURVEY DONE
137	132 KV	LILO OF CIRCUIT OF 132 KV S/C GONDAL - HARIPUR LINE AT 220 KV VISAVADAR SUBSTATION	0.00	0.67	0.67	-
138	132 KV	LILO OF 132 KV S/C WANKANER - JAMNAGAR LINE AT 132 KV TANKARA SUBSTATION	0.00		0.00	-
139	132 KV	LILO OF CIRCUIT OF 132 KV D/C MEHSANA - PATAN LINE AT 400 KV SANKHARI SUBSTATION	0.00		0.00	-
140	132 KV	132 KV S/C SANKHARI (400 KV) - DEESA LINE	0.00	0.35	0.35	-
141	132 KV	LILO OF BOTH CIRCUITS OF 132 KV D/C JASDAN WIND FARM - JASDAN LINE AT 220 KV BABARA SUBSTATION ON M/C TOWER LINE	4.00		0.00	-
142	132 KV	LILO OF 132 KV S/C LIMKHEDA - DAHOD LINE AT 220 KV ZALOD	8.52		0.00	-
143	132 KV	132 KV D/C LIMKHEDA - ZOZ LINE	10.00		0.00	-
TOTAL 132 kV			22.52	1.42	1.42	

Few transmission assets were spilled over from last years and considered in FY 2018-19. Such spilled over assets, where capital expenditure has been incurred in FY 2018-19 are separately shown as under as spilled over Substations & Transmission lines:

EXPENSES OF SUBSTATION - SPILL-OVER WORK			
Sr. No.	VOLTAGE CLASS	NAME OF SS	CAPEX FROM 01-04-2019 TO 31.10.2019
1	400 kV	400KV AMRELI FB FOR 400KV AMRELI - KASOR LINE (P) EXPENDITURE IN AMRELI	0.34
2	400 kV	400KV HADALA S/S	0.27
3	400 kV	ASOJ 400KV S/S (AMOUNT FOR 315 MVA ICT-3 & 500 MVA ICT-4 WORKS)	0.08
4	400 kV	4 Nos. FEEDER BAY AT 400KV SOJA S/S	0.01
5	400 kV	400 KV FEEDER BAY KASOR S/S	0.49
6	400 kV	400/220/66 KV CHARANKA (INCLUDING CABLE)	0.00
7	400 kV	400KV KANSARI	0.00
8	400 kV	400 kv D/C SOJA-ZERDA LINE-1- SS WORK	0.04
9	400 kV	400 KV HALVAD (MANSAR)	0.00
10	400 kV	400KV CHORANIYA S/S	0.03
11	400 kV	400KV KOSAMBA	0.07
12	400 kV	400KV FB AT CHORANIA S/S FOR 400KV KOSAMBA - CHORANIA LINE - 2 Nos.	5.99
13	220 kV	220KV BOTAD	0.02
14	220 kV	220 KV VALLABHIPUR	0.56
15	220 kV	220KV VARTEJ	0.01
16	220 kV	220KV OTHA FB	0.40



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EXPENSES OF SUBSTATION - SPILL-OVER WORK			
Sr. No.	VOLTAGE CLASS	NAME OF SS	CAPEX FROM 01-04-2019 TO 31.10.2019
17	220 kV	220KV SAGAPARA FB	0.24
18	220 kV	220/66KV ANJAR GIS S/S	0.62
19	220 kV	220/66KV REACTOR WORK AT 200KV NAKHATRANA S/S	2.10
20	220 kV	220/66KV REACTOR WORK AT 200KV BHACHAU(VONDH) S/S	2.85
21	220 kV	220/66KV BHACHAU S/S (P)	1.79
22	220 kV	220kv ZAGADIA HALD. LILO ZANOR LINE	2.02
23	220 kV	220KV VANKADA S/S	0.00
24	220 kV	220KV GHIYAVAD (WKR) S/S	2.46
25	220 kV	220KV KANGASHIYALI S/S	0.07
26	220 kV	220 KV FAREDI (MODASA)	0.07
27	220 kV	220 KV BHUTIYA -3 BAY WORK	0.53
28	220 kV	220KV JAMALA BAY	0.00
29	220 kV	220/66KV JAROD (VYANKATPURA) S/S (P)	0.01
30	220 kV	220/66 KV KARJAN SUBSTATION	-0.53
31	220 kV	220KV JAMNAGAR REACTOR BAY S/S	0.01
32	220 kV	220 KV KALAVAD S/S	3.24
33	220 kV	220 KV D/C BHOGAT - RANAVAV LINE & 2 NOS OF FB AT RANAVAV	0.03
34	220 kV	REACTOR BAY 220KV BHATIYA S/S	2.39
35	220 kV	220kv MOTIPANELI S/S (REACTOR BAY)	2.26
36	220 kV	220kv SARDARGADH S/S (REACTOR BAY)	0.04
37	220 kV	220kv DHOKADVA S/S (REACTOR BAY)	0.05
38	220 kV	220kv TIMBADI S/S	0.45
39	220 kV	220kv VISAVADAR S/S (REACTOR BAY)	0.30
40	220 kV	220KV BECHRAJI (MARUTI)	0.00
41	220 kV	LILO OF ONE CIRCUIT OF 220 KV D/C GANDHINAGAR TPS – CHHATRAL LINE AT VADAVI (AL-59)	0.06
42	220 kV	220 KV MOGAR	0.09
43	220 kV	220 kv KAPADWANJ S/S (REACTOR WORK)	0.50
44	220 kV	ERECTION OF NEW REACTOR BAY AT 220 kv KARAMSAD	1.13
45	220 kV	220 KV SALEJADA FEEDAR BAY	0.02
46	220 kV	220KV ATUL (NAVERA)	0.08
47	220 kV	220 Kv SARVADA (UPGRADATION-66 Kv )S/S	0.00
48	220 kV	220 Kv 02 Nos 132 Kv F B At 220 Kv NVS S/S	0.47
49	220 kV	220kv RADHANESDA S/S	0.01
50	220 kV	220kv AGTHALA S/S	0.04
51	220 kV	220 kv DEODAR S/S REACTOR BAY	2.44
52	220 kV	220 kv THARAD S/S REACTOR BAY	0.15
53	220 kV	220KV CHARADVA	0.13
54	220 kV	REACTOR BAY AT 220KV HALVAD S/S	0.53
55	220 kV	220 kv BAGODRA S/s	10.70
56	220 kV	4NOS OF FB FOR 220 kv LINE AT 400 kv CHORANIYA S/S	0.19
57	220 kV	220/66KV SADLA (CHOTILA) (SHAPAR) S/S (P)	0.02
58	220 kV	220KV TAPPAR S/S	-0.03
59	132 kV	132KV PADAVALA	0.04
60	132 kV	132KV ZOZ	-0.03
61	132 kV	PAVI-JETPUR 132KV S/S	4.07
62	132 kV	TRANSFORMER BAY AT MEHMADAVAD S/S	0.01
63	132 kV	DHUVARAN TPS	-0.14
64	132 kV	132 kv SABARMATI S/S	0.05
65	132 kV	132kv DEESA-SANKHARI LINE	0.41
TOTAL			50.25

Spilled over Transmission lines:



**Gujarat Energy Transmission Corporation Limited**  
**Truing Up for FY 2018-19 and Determination of Tariff for FY 2020-21**

<b>EXPENSES OF LINES- SPILL-OVER WORK</b>			
<b>Sr. No.</b>	<b>VOLTAGE CLASS</b>	<b>NAME OF SUB-STATION</b>	<b>CAPEX FROM 01-04-2019 TO 31.10.2019</b>
1	400 kV	400 KV MUNDRA - ZERDA LINE 2 - ANJAR EXPENDITURE	0.00
2	400 kV	400KV KOSAMBA - CHORANIA LINE BHARUCH EXPENDITURE	1.29
3	400 kV	400KV I/C UKAI-KOSAMBA TO ZANORE -NAV. LINE	-0.25
4	400 kV	400KV SOJA - ZERDA LINE + SOJA REACTOR BAY	1.14
5	400 kV	400 kv DC PANCHHAM DHOLERA LINE	7.29
6	400 kV	400KV VELODA LINE (VADAVI- ZERDA)	0.04
7	400 kV	400KV MUNDRA - ZERDA LINE CKT 2 - PALANPUR EXPENDITURE	0.47
8	400 kV	400 kv VARIOUS LINE OPGW	1.04
9	400 kV	400 kv H-M LILO AT 400 Kv HALWAD S/S	4.47
10	220 kV	220KV OTHA (MAHUVA)-SAGAPARA (PALITANA) LINE	1.08
11	220 kV	220 KV SKD SAGAPARA LINE	1.55
12	220 kV	220 KV D/C AMRELI- BABRA LINE	0.39
13	220 kV	220 KV TAPPAR MORBI LINE (OPGW)	0.01
14	220 kV	220 KV HADALA HALVAD LINE (OPGW)	0.02
15	220 kV	220 KV VALLABHIPUR-BOTAD LINE	0.23
16	220 kV	LILO OF TAPPAR NANIHKAKHAR AT 220 KV KUKMA S/S	-0.18
17	220 kV	220KV LILO TO VALENJA LINE (220KV LILO S/C GSEG-KIM)	0.84
18	220 kV	220KV LILO TO ANKLESHWAR FROM HALD. TO KAWAS LINE	0.00
19	220 kV	220KV KANGASIYALI-KHAMBHA LINE	1.13
20	220 kV	220KV NANIHKAKHAR-TAPPER LINE(OPGW)	0.44
21	220 kV	KAWANT BHEKHADIYA 220KV LINE	0.03
22	220 kV	POPADA GANTRY TO T. NO. 70/1 (48 FIBERS)	0.03
23	220 kV	220 Kv GODHRA WANAKBORI LINE	0.04
24	220 kV	220KV SAVADASANA MUVADA -66KV RAJAYATA S/C LINE	0.16
25	220 kV	220KV SAVADASANA MUVADA -66KV MALPUR S/C LINE	0.06
26	220 kV	ZAGADIA-HALDARWA 220Kv LINE	0.10
27	220 kV	220KV LILO OF JAMNAGAR-JETPUR AT SIKKA S/S. LINE - 1 (P) (60KM)	0.02
28	220 kV	220kv LILO SHAPUR LINE (FROM 220kv JETPUR-SARDARGADH LINE)	0.82
29	220 kV	220kv KESHOD-SHAPUR (OPGW) LINE	0.21
30	220 kV	220kv JETPUR-SARDARGADH LINE	0.00
31	220 kV	220 KV KASOR HERANJ LINE	0.01
32	220 kV	220KV KARAMSAD-VARTEJ LINE OPGW	0.04
33	220 kV	220 Kv BHILAD-SARIGAM LINE	3.30
34	220 kV	220KV GSEG, HAZIRA - MOTA LINE (P)	0.11
35	220 kV	LILO OF 220 KV S/C UKAI(THARMAL)-ACCHALIA LINE -2 AT 220 Kv VYARA S/S	7.00
36	220 kV	LILO OF 220 KV S/C UKAI(THARMAL)-ACCHALIA LINE-3 AT 220 Kv VIRPUR(VYARA, SONGADH) S/S	5.95
37	220 kV	220kv D/C RADHANESDA-VAV(PGCIL) LINE No.1	6.11
38	220 kV	220KV HALVAD (400 KV) - CHOTILA(SADLA) LINE (P)	0.66
39	220 kV	220 kv CHORANIYA-SALEJDA LINE	2.30
40	220 kV	220 kv HALVAD-MOBI LILO AT 400 Kv HALWAD S/S	0.73
41	132 kV	132 KV JASDAN - THIOLIA LINE	0.64
42	132 kV	132KVD/C SHIKARPUR WF-SAMKHIYALI LINE BOTH CIRCUIT LILO AT 220KV VONDH S/S ON M/C TOWER WITH ACSR PANTHER CONDUCTOR	9.54
43	132 kV	KAWANT 132KV LILO LINE	0.05
44	132 kV	JAMBUVA-GOTRI 132kvLINE	0.00
45	132 kV	GOTRI 132KV LILO LINE WITH OPGW FROM 220KV GAVASAD-KASOR LINE	0.55
46	132 kV	ZALOD LILO 132KV LINE ( GODHRA-DAHOD )	2.95
47	132 kV	132kv VELODA LILO LINE	0.22
<b>TOTAL</b>			<b>62.64</b>

Further, it is to state that GETCO is not leaving any stone unturned in executing planned capital expenditure. We experience in past that we have slow progress in EHV transmission lines as compare to substations. The major reasons of such slow progress



resulted in to deviation/ variance from approved capital expenditure & capitalization are as under:

- Constraint of Right of Way (RoW) for transmission lines.
- Lack of suitable land for the substation.
- Lengthy process for statutory approvals.
- Lack of approved contractors to carryout work, etc.

Such issues were also brought to the notice of the Commission in past. GETCO has considered above mentioned constraint and has proactively taken several steps to ensure that the above mentioned constraints will least affect GETCO in overall functioning specially in execution of transmission assets.

- Inventory management,
- Advance application for statutory clearance,
- Regular project review meeting at all levels,
- Regular monitoring of capital expenditure booking, etc.
- Start of transmission line work in advance to avoid idling of substations

Looking to above, it is submitted that GETCO is taking all possible steps to control the deviation in capital expenditure & capitalization across voltage class/ scheme.

**Commission's Comments:**

The Commission noted the submission of the Petitioner. GETCO is directed to provide an half year status of on-going projects/schemes with details such as approved cost, Capex already incurred, reason for deviation etc. by 30<sup>th</sup> October, 2020. Further, GETCO is again directed to take prior approval of the Commission while incurring Capex in excess of Rs. 50 Crore over the approved cost with due justification.

**6.4 Compliance of Directives issued vide Order dated March 31, 2015 and March 31, 2016**

**Directive 2 and 3: GETCO to plan their network to avoid transmission constraints and to submit quarterly report on voltage-wise peak loading**

GETCO, in the Tariff Order dated 31st March, 2015 and 31st March, 2016 was directed to submit report on reasons for the transmission constraints and area wise planning on transmission constraint elements. Further, in the Tariff Order dated 31st March, 2017,



compliance on submission of report on transmission planning to avoid transmission constraints was noted and it was directed to carry out transmission planning in accordance with the CEA Transmission Planning Criteria to minimize transmission constraints and to keep the Commission informed about transmission planning being carried out to avoid such transmission constraints by 30<sup>th</sup> September, 2017. Further, based on an objection received from a stakeholder about a few transmission elements operating beyond loading capacity, it was directed to keep the Commission informed on a quarterly basis about average as well as peak loading of various 220 kV, 132 kV and 66 kV sub-stations in the Gujarat system.

**Commission's Comments:**

Compliance of the directive is noted. While appreciating the efforts being made by GETCO in eliminating such transmission constraints and GETCO's ability to cater maximum demand up to 15966 MW during FY 2017-18 (as on September, 2017), it is apt to mention that the Commission has again received objection from Federation of Gujarat Industries about a few transmission elements still operating in overload conditions and thus causing damage to the transmission grid. The objection and the response of the Petitioner on the same are detailed in Chapter 3 of this order, and GETCO in the response has furnished that transmission elements in the Southern region which are operating up to its full capacity due to inoperative local generation because of high fuel cost.

GETCO has also submitted the planned work to resolve the issue of overloading of transmission line with targeted month of completion. In this regard GETCO is directed to complete the work as per the target and keep the Commission informed about the progress made in these works on quarterly basis.

**GETCO Compliance/Action taken/initiated:**

GETCO is submitting progress report of transmission line projects implemented to resolve the issue of overloading of transmission line. Progress report along with revised target and % work done is submitted.

**Commission's Comments:**

GETCO should ensure early completion of such projects to resolve the issue of overloading of transmission lines. GETCO should also identify other such transmission lines where overloading is observed frequently and take appropriate measures to address the issue of overloading.



## **6.5 Compliance of Directives issued vide Order dated April 24, 2019**

**Directive:** To achieve the National target for Renewable Energy reaching up to 175 GW by the year 2022, the Commission has set RPO targets for obligatory entities up to FY 2021-22. In order to meet such targets, there would be substantial addition of solar and wind power plants at various locations in the State by the year 2022. GETCO is therefore required to make its transmission system adequate enough for evacuation of power from such generating stations. Accordingly, GETCO is directed to make necessary plans for evacuation network including sub-stations at all potential sites in consultation with DISCOMs, GEDA and the State Government and submit a report in this regard to the Commission within 3 months.

### **GETCO Complaine/Action taken/initiated:**

As per the directive issued, GETCO has submitted the required plan for on 31<sup>st</sup> July, 2019 to the Commission for evacuation network including sub-stations at all potential sites in consultation with DISCOMs, GEDA and the State Government.

### **Commission's Comments:**

The Commission noted the submission of the Petitioner.

## **6.6 New Directives:**

### **Directive 1: Details of Capitalization**

GETCO is directed to submit the work-wise details of actual capitalisation including but not limited to actual date of first power flow, actual loading, approved cost of project, actual cost of project, breakup of actual cost in hard cost, IDC, reasons for increase in cost and delay, etc., along with next Tariff Petition.



## COMMISSION'S ORDER

The Commission approves the components of Transmission Charges and the Transmission Tariff for GETCO for FY 2020-21, as shown in the Tables below:

**Table 6-1: ARR for FY 2020-21 (Rs. Crore)**

SI.No.	Particulars	FY 2020-21
1	Operation & Maintenance expenses	1,882.18
2	Depreciation	1,355.67
3	Interest & Finance charges	618.80
4	Interest on working capital	93.39
5	Return on equity	1,013.02
6	Total fixed costs	4,963.06
7	Less: Expenses Capitalized	194.13
8	Add: Provision for tax	64.62
<b>9</b>	<b>Total transmission charges</b>	<b>4,833.55</b>
10	Less: Non-Tariff Income	331.37
<b>11</b>	<b>Aggregate revenue requirement</b>	<b>4,502.18</b>
12	Add: Incentive for achieving Target Availability	0.00
13	Less: Revenue (Gap)/Surplus for FY 2018-19	132.94
<b>14</b>	<b>Total Revenue Requirement</b>	<b>4,369.24</b>

**Table 6-2: Transmission Tariff for FY 2020-21**

SI. No.	Particulars	Unit	FY 2020-21
1	Transmission Tariff	Rs./MW/Day	4,176.44
2	Transmission Tariff for STOA	Ps./kWh	35.03

**This order shall come into force with effect from 1<sup>st</sup> April, 2020.**

Sd/-

\_\_\_\_\_  
**P. J. THAKKAR**  
Member

Sd/-

\_\_\_\_\_  
**ANAND KUMAR**  
Chairman

Place: Gandhinagar

Date: 26/03/2020

