



GUJARAT ENERGY TRANSMISSION CORPORATION LIMITED

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Summary of Tariff Petition for True Up of FY 2015-16 & Multi-Year Aggregate Revenue Requirement for FY 2016-17 to FY 2020-21 & Determination of Final ARR for FY 2016-17 & Determination of Tariff for FY 2017-18:

- I. In terms of sections 62 of the Electricity Act, 2003 and GERC (MYT) Regulation, 2016, the tariff for transmission of electricity by Gujarat Energy Transmission Corporation Limited (GETCO) is regulated by the State Commission i.e. Gujarat Electricity Regulatory Commission (GERC).
- II. Accordingly, GETCO has filed its Petition No. 1620 of 2016 for True Up of FY 2015-16 & Multi-Year Aggregate Revenue Requirement for FY 2016-17 to FY 2020-21 & Determination of Final ARR for FY 2016-17 & Determination of Tariff for FY 2017-18 under Multi Year Tariff (MYT) Regulations, 2016.
- III. GETCO proposed Multi-Year Aggregate Revenue Requirement for third control period i.e. FY 2016-17 to FY 2020-21 as indicated below:

Table 1: Multi-Year Aggregate Revenue Requirement For FY 2016-17 TO FY 2020-21

Rs in Crores

Sr. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1	Aggregate Revenue Requirement	3,198.09	3,594.27	4,007.74	4,436.76	4,891.27
2	Total MW allocation	23442	24265	25653	26637	28648
3	Transmission Tariff (Rs/MW/day)	3,737.64	4,058.23	4,280.25	4,563.44	4,677.68

- IV. Petition covers performance of GETCO for FY 2015-16 and True Up comparing the actual performance of GETCO during FY 2015-16 with the forecast approved by the Hon'ble Commission. Based on Revenue Gap from True Up of FY 2015-16, Transmission Tariff for FY 2017-18 is proposed.

Table 2: Transmission Tariff proposed for FY 2017-18 Rs in Crores

Sr. No.	Particulars	FY 2017-18
1	Aggregate Revenue Requirement for FY 2017-18	3,594.27
2	Add revenue Gap for FY 2015-16	56.09
3	ARR after considering Gap of true-up for FY 2015-16 (1+2)	3,650.36
4	Total MW allocation	24265
5	Transmission tariff (Rs/MW/day)	4,121.56

V. The key financial assumptions for the purpose of True Up of FY 2015-16 are summarized as below:

- Operation & Maintenance expenses for the period of FY 2015-16 have been computed on basis of addition of 892 No. of bays and 3031 ckt. Kms of transmission lines.
- Depreciation is considered @ 4.87 %. GETCO has not considered depreciation on the assets acquired from Grants/ Consumer Contributions/ subsidy from total depreciation claimed for the FY 2015-16.
- Weighted Average Rate of Interest on Loan for the FY 2015-16 is considered @ 10.22%.
- Return on equity is considered @ 14 % as per MYT Regulation 2011.
- Maintenance & Spares requirement is calculated starting from FY 2005-06 along with subsequent actual capitalization from FY 2006-07 to FY 2015-16 with 6% yearly escalation.
- SBI PLR Rate @ 14.75% as on 1st April, 2015 is considered for the calculation of interest on working capital.
- GETCO has considered income tax of Rs. 64.62 Crores for FY 2015-16,
- GETCO has computed Rs. 39.49 Crore as incentive on higher availability based on the target availability of 98%
- GETCO has considered expenses capitalised of Rs. 194.13 Crore during FY 2015-16.
- GETCO has considered other income of Rs. 121.94 Crore for FY 2015-16.

VI. The key performance parameters approved and achieved by GETCO for FY 2015-16 are summarized in the table below:

Table 3: GETCO's Performance Parameters

Particulars	Approved FY 2015-16	Actual FY 2015-16
Transmission System Availability	99.66%	99.42%
Transmission Losses	4.10%	3.68%

VII. The key financial assumptions for the purpose of Multi-Year Aggregate Revenue Requirement for FY 2016-17 to FY 2020-21 are summarized as below:

- GETCO has proposed to consider capital expenditure of Rs. 13688 Crore during FY 2016-17 to FY 2020-21, considering establishment of 440 Nos. of Substations and 13841 CKMs of transmission lines.

- Operation & Maintenance expenses for the period of FY 2016-17 to FY 2020-21 have been computed on basis of addition of 3476 No. of bays and 13841 ckt. Kms of transmission lines in the control period.
- Depreciation for the period of FY 2016-17 to FY 2020-21 is considered @ 4.87 %. GETCO has not considered depreciation on the assets acquired from Grants/ Consumer Contributions/ subsidy from total depreciation claimed during control period.
- Weighted Average Rate of Interest on Loan for the period of FY 2016-17 to FY 2020-21 is considered in the range of @ 10.10 % to 9.85 % based on present market scenario.
- Return on equity is considered @ 14 % as per MYT Regulation 2016.
- Interest rate of 11.70% is considered for the calculation of interest on working capital for the period of FY 2016-17 to FY 2020-21.
- GETCO has considered income tax of Rs. 64.62 Crores in every year for the period of FY 2016-17 to FY 2020-21,
- GETCO has considered expenses capitalised of Rs. 194.13 Crore in every year for the period of FY 2016-17 to FY 2020-21,
- GETCO has considered other income of Rs. 121.94 Crores in every year for the period of FY 2016-17 to FY 2020-21,
- The key performance parameters proposed by GETCO for 3rd control period is summarized in the table below:

Table 4: GETCO's Performance Parameters

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Transmission System Availability	99.49%	99.50%	99.51%	99.51%	99.52%
Transmission Losses	3.85%	3.80%	3.85%	3.80%	3.85%

Note: GETCO has requested hon'ble commission to implement the APTEL Order dated 21st July 2016 on Appeal Nos. 108 of 2013, 149 of 2015, 171 of 2014 and 172 of 2014 & Order dated 10th November 2016 on review petition no. 20 of 2016 in appeal no.108 of 2013, 171 and 172 of 2014 and 149 of 2015 and allow consequential recovery of additional cost components in FY 2017-18 and approve Multi-Year Aggregate Revenue Requirement for FY 2016-17 to FY 2020-21 as per GERC MYT Regulations 2016 and APTEL Order dated 21st July 2016.