

**GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

**Explanatory Note for Draft GERC (Multi-Year Tariff) (Second Amendment)
Regulations, 2018**

The Gujarat Electricity Regulatory Commission in exercise of the powers conferred by sub-section (2) of Section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, and under Section 32 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) and all powers enabling it in that behalf, has notified the GERC (Multi-Year Tariff) Regulations, 2016 (Notification No. 4 of 2016).

GERC, through Tariff Order dated 31st March, 2017 in Petition No. 1620/2016 determined the Transmission Charges for Short-Term Users of Transmission system in Rs./MW/Day basis and Transmission Charges payable in the case of Short-Term Collective Transactions through power exchanges on Ps. Per kWh basis in accordance with the aforesaid principal MYT Regulations, 2016.

Thereafter, the GERC is in receipt of the representation from various stakeholders requesting the Commission to determine uniform Short-Term Transmission Charges for all types of Short-Term transactions i.e. Intra-State, Inter-State and Collective transactions.

GETCO, in its Tariff Petition No. 1692/2017, has submitted that as per sharing of inter-state transmission charges and losses Regulations 2010 and its amendments notified by the Hon'ble CERC, for all types of short-term transaction, transmission charges are payable on per kWh basis i.e. transmission charges are applied on transaction through power exchange / collective or bilateral. However, the Commission in the Order dated 31st March, 2017 has allowed recovery of transmission charges on per kWh basis for power exchange / collective short-term transaction and per MW/day basis for bilateral short-term transaction. This is leading to different treatment for two transactions done under short-term open access. To make the recovery of short-term transaction charges in line with CERC Regulations, GETCO had proposed to allow recovery of transmission charges on per kWh basis for all types of short-term transactions irrespective of whether short-term transaction is done through power exchange or under bilateral arrangement.

The Commission, in its Tariff Order dated 31st March, 2018 in Petition No. 1692/2017, has noted the representation of GETCO. The Commission has approved the transmission charges for Short-Term Open Access through power exchanges on Rs./kWh basis based on Regulation 72 of the GERC (MYT) Regulations, 2016.

The Commission also feels that there is a need to implement uniform Short-Term Transmission Charges for all types of Short-Term Users of the Transmission System and hence proposes this amendment in the principal MYT Regulations, 2016. Accordingly, it is

proposed that the Regulation 72.2 and 72.3 of the principal Regulations shall be substituted 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 (Rs./kWh) = Transmission ARR ÷ 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.”
