

GUJARAT ELECTRICITY REGULATORY COMMISSION

Gandhinagar

Draft Order

In the matter of:

Filing of application for determination of Aggregate Revenue Requirement (ARR) and tariff for FY 2021-22.

1. 'Determination of Tariff for supply of Electricity' is one of the important functions of the State Electricity Regulatory Commission as provided in the Section-86 of the Electricity Act, 2003. The Act provides that: -

"Section 86. (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers; "

2. Further, the Act also provides that-

"Section 61. (Tariff regulations):

The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the"

3. Accordingly, the Gujarat Electricity Regulatory Commission (hereinafter, 'the Commission') has been specifying the Regulations from time to time covering terms and conditions for the determination of tariff. At present the GERC (Multi-Year Tariff) Regulations, 2016 been notified on 29.03.2016 is in force till 31st March 2021.
4. The process for framing the MYT Regulations for new Control Period of FY 2021-22 to FY 2025-26 was initiated by issuing public notice dated 10.08.2020. However due to prevailing circumstances and reasons beyond the control of the Commission, the process related to framing of the MYT Regulations is delayed.

5. In the meantime, the Commission is in receipt of the requests from the Gujarat Urja Vikas Nigam Limited and Torrent Power Limited to provide necessary clarification/ guidance for preparation and submission of ARR and Tariff Determination for FY 2021-22.
6. The Commission has also noted that the procedure and process of framing new MYT Regulations required to be started afresh and accordingly it will not be possible to finalize the determination of tariff for FY 2021-22 within the reasonable time frame under the proposed MYT framework.
7. Further, the Commission is also of the opinion that it may be difficult for the utilities to make realistic projections and business plan for the 5- year control period in view of the prevailing circumstances at present.
8. In view of the above, it is proposed to defer the 5- year control period for new MYT Regulations for one year and consider the control period from FY 2022-23 to FY 2026-27. Accordingly, all the concerned utilities and licensees are directed to file annual ARR for FY 2021-22 and application for determination of tariff for FY 2021-22 based on the principles and methodology as provided in the GERC (Multi-Year Tariff) Regulations, 2016.
9. The GERC (Multi-Year Tariff) Regulations, 2016 provides that :-

“1.2 These Regulations shall come into effect from the date of their publication in the Official Gazette and shall remain in force till 31st March,2021, unless otherwise reviewed/extended.

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7. Saving of Inherent Power of the Commission

7.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

7.2 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

7.3 Nothing in these Regulations shall, expressly or by implication, bar the Commission to deal with any matter or exercise any power under the Acts for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

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12. Power of Relaxation

The Commission, for reasons to be recorded in writing, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.”

10. In view of the background and reasons mentioned above and looking to the requirement and importance of timely determination of tariff for supply of electricity, it is proposed to differ implementation of new MYT control period by one year and adopt the determination of annual ARR and determination of tariff for FY 2021-22. Further, it is also proposed to direct all the regulated Generating Stations, Transmission Licensee, SLDC and Distribution Licensees (including deemed Licensees) to file application/ petition for the determination of Annual ARR for FY 2021-22 and proposal for determination of tariff for FY 2021-22 on or before 31st December 2020.

The Commission invites comments from the stakeholders in this regard and the interested persons are informed to file their comments along with supporting documents (if any) through e-mail at efiling@gercin.org or submit the same to the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT ONE, Road 5-C, Zone 5, GIFT City, Gandhinagar - 382 255 on or before **21st December 2020**. Looking to the requirement and importance of timely determination of tariff, it is also proposed to finalise this Order at the earliest considering all the comments to be received in this regard.

Sd/-

(Roopwanti Singh, IAS)

SECRETARY

Gujarat Electricity Regulatory Commission
GANDHINAGAR

Place: Gandhinagar

Date: 05.12.2020