

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

In the matter of:

Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (Fifth Amendment) Regulations, 2025

CORAM:

Mehul M. Gandhi, Member

S. R. Pandey, Member

STATEMENT OF REASONS (SOR)

A. Background:

1. The Gujarat Electricity Regulatory Commission (GERC) has notified the Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) Regulations, 2005 Notification No. 9 of 2005 dated 31.03.2005.
2. Clause 8.2 (F) of the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005, read as under:

F. CHARGES FOR MISCELLANEOUS WORK

The charges payable in advance for any work which the supplier may undertake for the consumer and which is not included in the foregoing schedule shall be at the actual cost of labour and materials plus 15% to cover overhead charges. Estimates will be submitted when necessary. The charges payable in advance for any work which the supplier may undertake on behalf of the consumer as an agency work, shall be the actual cost of labour and materials plus 15% to cover overhead charges. The estimates will be submitted accordingly.

3. The Commission after hearing all the parties, vide Order dated 03.12.2024 has decided the Petition No. 2289 of 2023 filed by DGVCL and Others under Electricity Act, 2003 read with the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 for approval of levy of 2.5% supervision charges instead of 15% supervision charges on estimate towards shifting of infrastructure of Licensee's for development projects of National Highway Authority, State Highway Authority and other Centre & State Government projects related to infrastructure development as per the Standard Operating Procedure notified by the Ministry of Power, Government of India.

In the para 7.18 of the said Order dated 03.12.2024, it is stated that;

We are of the view that it is also necessary to amend the Regulations 6 and 8.2 of the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 by incorporating the following the provisions in the aforesaid Regulations.

.....

Provided that the Infrastructure Developer shall make a payment of supervision charges at the following rates to the Owner of the transmission line:

<i>Infrastructure Project</i>	<i>Shifting works by Infrastructure developers</i>	<i>Shifting works by the Owner</i>
<i>Projects Under Bharatmala Pariyojana</i>	<i>2.5%</i>	<i>Not Applicable</i>
<i>Other Infrastructure Projects</i>	<i>2.5%</i>	<i>15%</i>

In the para 7.19 of the said Order dated 03.12.2024, it is stated that;

The Staff of the Commission is directed to issue draft amendment in the aforesaid Regulations and also to issue public notice and inviting comments/suggestions on it from the stakeholders as envisaged in

Section 181 of Electricity Act, 2003 read with GERC (Procedure for previous publication of regulations to be made under Section 181 of the Electricity Act,2003).

4. Accordingly, the Commission has initiated the proceedings to amend the aforesaid regulations proposing as under.

F. CHARGES FOR MISCELLANEOUS WORK

The charges payable in advance for any work which the supplier may undertake for the consumer and which is not included in the foregoing schedule shall be at the actual cost of labour and materials plus 15% to cover overhead charges. Estimates will be submitted when necessary. The charges payable in advance for any work which the supplier may undertake on behalf of the consumer as an agency work, shall be the actual cost of labour and materials plus 15% to cover overhead charges. The estimates will be submitted accordingly.

Provided that the Infrastructure Developer shall make a payment of supervision/ overhead charges at the following rates to the Owner of the transmission/ distribution line:

<i>Infrastructure Project</i>	<i>Shifting works by Infrastructure developers</i>	<i>Shifting works by the Owner</i>
<i>Projects Under Bharatmala Pariyojana</i>	<i>2.5%</i>	<i>Not Applicable</i>
<i>Other Infrastructure Projects</i>	<i>2.5%</i>	<i>15%</i>

B. Consultation Process:

The Draft Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (Fifth Amendment) Regulations, 2025 dated 26.09.2025 for amendment in Principal Regulations were published and also issued Public Notices on 27.09.2025 in two Gujarati daily and one English daily inviting comments / suggestions / objections from the stakeholders in the matter.

Thereafter, the Commission conducted a public hearing on the Draft GERC (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (Fifth Amendment) Regulations, 2025 on 10.10.2025.

List of stakeholders who have submitted written comments and/or have made representation during public hearing is provided in 'Annexure-I' to this SOR.

C. Views of the Stakeholders

- i. One of the stakeholders has suggested that the relaxation in recovery of supervision charges as proposed in the Draft Amendment be restricted to only those projects where central or state government execute the infrastructure project itself and not to private infrastructure developer. The Draft Amendment may be modified accordingly.
- ii. Another stakeholder has suggested to clarify that the "Other infrastructure projects" referred to in the Draft amendment shall include only those infrastructure projects which are developed by national Highway Authority, State Highway Authority and other Central and State Government projects related to infrastructure developments as per the SoP Notified by Ministry of Power, Government of India.

D. Commission's Analysis and Decision:

We have noted the above submissions of the stakeholders. We note that the present proceeding is initiated in pursuance to the Order dated 03.12.2024 of the Commission in the Petition No. 2289 of 2023 filed by DGVCL seeking amendment in Regulations in levy of supervision charges as provided in the Standard Operating Procedure (SoP) dated 03.03.2023 as a special case for the project covered therein.

We note that on 03.03.2023, Central Electricity Authority - Ministry of Power, Government of India, issued "Standard Operating Procedure on shifting of transmission line involving work by other infrastructure developers". The SoP seeks to streamline the process of divergence of transmission line coming across various development projects such as infrastructure projects of National Highway Authority of India (NHAI), Indian Railways, Airport

Authorities, Border Road Organisations (BRO), Irrigation Departments, etc., so as to ensure better coordination between infrastructure development agencies and transmission licensees, safety aspects and avoid delay while developing such infrastructure projects.

Thus, the “other infrastructure projects” referred to in the proposed Amendment necessarily refers to infrastructure development projects developed by State / Central governments as sought to be covered under SoP dated 03.03.2023 issued by CEA - Ministry of Power, GoI.

Accordingly, considering the views / suggestions of the stakeholders and to impart better clarity in the Regulations, the Commission decides to incorporate certain modifications in the draft and finalize the modification in the principal Regulations as under:

F. CHARGES FOR MISCELLANEOUS WORK

The charges payable in advance for any work which the supplier may undertake for the consumer and which is not included in the foregoing schedule shall be at the actual cost of labour and materials plus 15% to cover overhead charges. Estimates will be submitted when necessary. The charges payable in advance for any work which the supplier may undertake on behalf of the consumer as an agency work, shall be the actual cost of labour and materials plus 15% to cover overhead charges. The estimates will be submitted accordingly.

Provided that the Infrastructure Developer shall make a payment of supervision/ overhead charges at the following rates to the Owner of the transmission/ distribution line:

Infrastructure Project	Shifting works by Infrastructure developers	Shifting works by the Owner of Transmission / Distribution Licensees
<i>Projects Under Bharatmala Pariyojana</i>	2.5%	Not Applicable
<i>Infrastructure Projects of Central / State Government such as projects of National Highway</i>	2.5%	15%

<i>Infrastructure Project</i>	<i>Shifting works by Infrastructure developers</i>	<i>Shifting works by the Owner of Transmission / Distribution Licensees</i>
<i>Authority (NHAI) / State Highway Authority, Border Road Organization (BRO), Indian Railways (IR), Airport Authority, Irrigation Department, etc. as per the Standard Operating Procedure notified by Ministry of Power and its amendments thereof.</i>		

- E.** The Commission decides and directs the Office of the Commission that the Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (Fifth Amendment) Regulations, 2025 be published in the Official Gazette after incorporating the changes as decided and indicated in the foregoing paragraph of this Statement of Reasons.

Sd/-
S. R. Pandey
(Member)

Sd/-
Mehul M. Gandhi
(Member)

Place: Gandhinagar

Date:14/10/2025.

Annexure - I

The Commission has received comments/suggestions from the following stakeholders pursuant to public notices dated 27.09.2025, in the matter of Draft GERC (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (Fifth Amendment) Regulations, 2025:

Sr. No.	Name of Stakeholder	Written Submission	Submission of comments / suggestions during Public Hearing
1	Torrent Power Limited (TPL)	Yes	Yes
2	Dakshin Gujarat Vij Company Limited (DGVCL)	No	Yes