

ASSISTANT DIRECTOR

Subject: Additional details in GETCO's Petition No. 2026 of 2021 for True up of FY 2020-21 and Determination of Tariff for FY 2022-23.

Date: Saturday, 8 January 2022 at 3:05:39 PM India Standard Time

From: serc.getco <serc.getco@gebmail.com>

To: GERC <gerc@gercin.org>, Roopwant Singh, IAS <secretary@gercin.org>

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Attachments: DG -08-01-2022.rar

To,
The Secretary,
Gujarat Electricity Regulatory Commission,
6th Floor, GIFT ONE,
Road 5C, Zone 5,GIFT City,
Gandhinagar - 382355,
Gujarat, India.

Sub: Additional details in GETCO's Petition No. 2026 of 2021 for True up of FY 2020-21 and Determination of Tariff for FY 2022-23.

Ref: Hon'ble GERC E-mail dtd. 15-12-2021

Respected sir,

The pointwise compliances to the Additional details in GETCO's Petition No. 2026 of 2021 for True up of FY 2020-21 and Determination of Tariff for FY 2022-23 is as follows:

A. True-Up FY 2020-21

1. A revised excel sheet format to be provided with proper linkage within the Formats rather than linking all the figures (including summation) with some external file.

Compliance:- The excel sheet with proper linkage with the formats is provided vide mail dated 03-12-2021.

2. GETCO to provide the excel file providing the calculation as submitted in the Petition as it does not include the calculation of incentive and sharing of efficiency gains/(losses).

Compliance:- Excel file providing the calculation as submitted in the Petition of incentive and sharing of efficiency gains/(losses) is provided as an **Annexure-A**.

3. GETCO should submit the reconciliation of all the ARR expenses submitted in Petition for Transmission and SLDC vis-à-vis expenses reported in Audited Accounts for FY 2020-21 in the following format:

Compliance:-

Rs. Crore						
Particulars	Amount in Audited Accounts	Transmission	SLDC	Other, if any	Total	Remarks (if any)
Gross Fixed Asset – Opening	23409.88	27523.86	2608.44		30132.30	GFA in annual accounts is as per IND-As whereas in Petition, opening GFA for transmission and SLDC is considered same as closing GFA of FY 2019-20.
Capitalization	1858.94	1860.48	3.17	-	1863.65	Past disapproval of Rs. 4.71 Crore is added as part of transmission capitalization for FY 2020-21 as assets are not capitalized.
Deduction in GFA	28.97	29.55	(0.58)	-	28.97	
CWIP	5959.31	5959.31	-	-	5959.31	
Grant Consumer/ Consumer Contribution	432.12	432.12	-	-	432.12	
Depreciation	1193.14	1189.71	3.43	-	1193.14	
Outstanding Loan	6265.62	7003.04	-	-	7003.04	Outstanding loans shown for transmission and SLDC is as per normative outstanding loan as per Regulatory purpose whereas in annual accounts, it is actual outstanding loan and hence it will not match.
Interest Charges	375.04	506.10	0.02	-	506.11	GETCO has claimed interest on normative long-term loan hence it

						will not match with annual accounts.
Employee Expenses	Rs. 1025.69 Crore (Rs. 1008.51 Crore employee benefit expenses + Rs. 17.18 Crore OCI)	954.68	16.59	-	971.27	Provision made for 7 th pay commission of Rs. 54.41 Crore is not claimed as part of Petition.
Expenses capitalized	213.84	213.84	-	-	213.84	Employee Expenses and A&G expenses capitalized are considered
Other Income/ Non-Tariff Income	506.95	70.31	9.80		80.11	- Rs. 2.66 Crore of interest on staff loan and advances is not offered as other income. - Rs. 424.17 Crore of reversal of grant & consumer contribution is reduced from other income;

4. GETCO should submit the details of Capex (Scheme wise) in terms of Opening CWIP, Capex during the year, Capitalization during the year and Closing CWIP for FY 2020-21 and its reconciliation with Audited Accounts for FY 2020-21.

Compliance:- Details of Capex (Scheme wise) in terms of Opening CWIP, Capex during the year, Capitalization during the year and Closing CWIP for FY 2020-21 and its reconciliation with Audited Accounts for FY 2020-21, are attached as **Annexure – B**.

5. As regards the capital expenditure incurred and capitalization during FY 2020-21, GETCO should submit the following:

- a. Details of actual scheme-wise capital expenditure and capitalization vis-à-vis that approved by the Commission.

Compliance:- Details of actual scheme-wise capital expenditure and capitalization vis-à-vis that approved by the Commission, are attached as **Annexure – C**.

- b. Actual date/schedule of scheme-wise completion vis-à-vis original date/schedule of scheme-wise completion.

Compliance:-

Actual date/schedule of scheme-wise completion vis-à-vis original date/schedule of scheme-wise completion date for all the projects commissioned in FY 2019-20 is attached as **Annexure – D**

- f. GETCO to provide the CEI Certificate and details of power flow for the assets capitalised of Rs. 4.71 Crores which was disallowed earlier by the Commission due to "Soak Charge".

Compliance:-

Copy of CEI Certificate and details of power flow for the assets capitalised of Rs. 4.71 Crores which was disallowed earlier by the Commission due to "Soak Charge" are attached herewith as **Annexure –E& E1**

- g. Detailed reasons and justification for increase/(decrease) in cost of each scheme compared to approved scheme cost, with break-up into:
- Variation due to delay in execution of the project compared to approved timelines, and justification for the same
 - Variation due to change in scope of work, and justification for the same.
 - Variation due to increase in price, and efforts taken to optimise the same.

Compliance:-

Voltage scheme-wise increase / (decrease) in cost of each scheme compared to approved cost is as below:

Sr. No.	Particular	Planned Budget	Actual Expenses	Deviation
A	New Project			
1	765 kV Sub Station	128	0	128
2	765 kV Lines	230	0	230
3	400 kV Sub Station	431	259.97	171
4	400 kV Lines	517	129.16	388
5	220 kV Sub Station	413	261.57	151
6	220 kV Lines	299	118.38	181
7	132 kV Sub Station	0	24.42	-24
8	132 kV Lines	0	16.02	-16
9	66 kV Sub Station	348	580.69	-233
10	66 kV Lines	170	574.87	-405

Voltage Scheme wise reason for deviation

i. **765 kV Substation:** Project dropped as per System Requirement

ii. **765 kV Transmission Lines:** Project dropped as per System Requirement

iii. **400 kV Substation:** Planned: Rs 431 Cr, Actual: Rs 260 Cr, Diff.: Rs 171 Cr

Decrease in cost due drop of the project:

Sr. No	Substation	Planned	Actual	Deviation	Reason/Current Status
1	400 kV Chhara	10	0	10	Project Dropped as per system requirement
2	400 kV Chikhli	10	0	10	
Total		20	0	20	

Shifting cost due to change in Time line:

Sr. No	Substation	Planned	Actual	Deviation	Reason/Current Status
1	400 kV Charal (Sanand) (Chharodi)	30	0	30	Early completion as per system requirement

2	400 kV Keshod GIS	40	0	40	Due to delay in land allotment
3	400 kV Prantij	40	0	40	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
4	400 kV Pipavav	10	0	10	Change in priority as per system requirement
5	Up-gradation of 220 kV Vav to 400 KV level (GIS)	50	19	31	Decrease in price as per estimated cost
Total		170	19	151	

iv. 400 kV Transmission Lines: Planned: Rs 517 Cr, Actual: Rs 129 Cr, Diff.: Rs 388 Cr
Decrease in cost due drop of the project:

Sr. No	Transmission Line	Planned	Actual	Deviation	Reason/Current Status
1	400 kV D/C Bhachunda - Bhuj Pool (PG) line	50	0	50	Project Dropped as per system requirement
2	LILO of one circuit of planned 400 kV D/C Ukai -Kosamba line at new s/s near Chikhli	20	0	20	
8	400 kV D/C Dhuvaran- Fedra (Quad) Line	64	0	64	
3	LILO of both circuit of 400 KV D/C Kakrapar - Vapi (PG) line at 400 kV Chikhli substation (Twin Moose)	10	0	10	
Total		144	0	144	

Shifting of cost due to change in Time line:

Sr. No	Transmission Line	Planned	Actual	Deviation	Reason/Current Status
1	400 kV D/C Soja - Zerda line	50	2	48	RoW - High Court Matter
2	400 kV D/C Bhachunda - Varsana line	63	8	55	Severe Right of Way Issue
3	400 kV D/C Adani - Zerda line-1	50	4	46	Severe Right of Way & Contractual issue
4	400 kV D/C Bhogat - Kalavad line	41	4	37	Severe Right of Way Issue
5	LILO of both circuits of proposed 400 kV D/C Kasor - Amreli line at Fedra s/s	36	0	36	Delay in completion of 400 kV D/C Amreli-Kasor line due to contractual issue
6	LIL O of one ckt of proposed 400 kV D/C Wanakbori - Soja line at Prantij s/s	5	0	5	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc

7	400 kV D/C Sankhari - Prantij	36	0	36	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
9	400 kV DC Panchham-Dholera Line LILO at Solar park	0	5	-5	Change in priority for early execution due to Dholera Solar Park
10	400 kV D/C Varsana - Halvad	50	17	33	Severe RoW issue
11	400 kV D/C Shapar - Fedra line	15	38	-23	Delay in awarding the projects due to implementation of GST
12	400 kV DC Panchham Dholera Line	0	26	-26	Change in priority for early execution due to Dholera Solar Park
Total		346	104	242	

v. 220 kV Substation: Planned: Rs 413 Cr, Actual: Rs 262 Cr, Diff.: Rs 151 Cr

Decrease in cost due drop of the project:

Sr. No	Substation	Planned	Actual	Deviation	Reason/Current Status
1	220 kV Bil	10	0	10	Project Dropped as per system requirement
2	220 kV Dhanaj	10	0	10	
3	220 kV Balasinor	10	0	10	
Total		30	0	30	

Shifting of cost due to change in Time line:

Sr. No	Substation	Planned	Actual	Deviation	Reason/Current Status
1	220 kV Bagasara	5	0	5	Land acquisition Pending
2	220 kV Gondal-II	25	0	25	Delay in Land allotment
3	220 kV Veraval	35	0	35	Delay in Land allotment. Now, decided to execute the project in existing 66 kV Substation
4	220 kV Rajkot II	20	0	20	Delay in Land allotment
5	220 kV Halol	35	0	35	Delay in Land allotment
Total		120	0	120	

vi. 220 kV Transmission Line: Planned: Rs 299 Cr, Actual: Rs 118 Cr, Diff.: Rs 181 Cr

Decrease in cost due drop of the project:

Sr. No	Transmission Line	Planned	Actual	Deviation	Reason/Current Status
	LILO of 220 kV S/C				

1	Vadavi – Chhatral & Vadavi – Gandhinagar TPS at Dhanaj substation	2	0	2	Project Dropped as per system requirement
2	LILO of one circuit of 220 KV D/C Wanakbori - Asoj line at 220 KV Balasinor	2	0	2	
Total		4	0	4	

Shifting of cost cost due to change in Time line:

Sr. No	Transmission Line	Planned	Actual	Deviation	Reason/Current Status
1	220 kV Bhogat - Ranavav line	10	0	10	Severe RoW issue
2	220 kV D/C Pirana (PG) - Barejadi line	11	0	11	Severe RoW issue
3	220 kV D/C Babara - Gondal-II line	20	0	20	Delay in Land allotment
4	220 kV D/C Wanakbori TPS - Zalod line along with one circuit LILO at Savdasna Muvada	20	0	20	Change in priority as per system requirement
5	LILO of 220 kV D/C Ukai (Th) - Achhalia line at 400 KV Achhalia	4	0	4	Delay in Land allotment
6	Termination of 220 kV D/C GPEC - Haladarwa line at Achhalia (400 KV) instead of Haladarwa s/s (Zebra)	10	0	10	Change in priority as per system requirement
7	220 kV D/C Suva - Achhalia (400 KV) line	30	0	30	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
8	220 kV D/C Prantij - Agiyol line	10	0	10	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
9	220 kV D/C Prantij - Dhansura line	16	0	16	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
10	LILO of 220 kV S/C Keshod - Timbdi line at 220 kV Veraval	4	0	4	Delay in Land allotment. Now, decided to execute the project in existing 66 kV Substation
11	220 kV D/C Chhara - Veraval line	2	0	2	Delay in Land allotment. Now, decided to execute the project in existing 66 kV Substation
12	LILO of one circuit of 220 kV D/C Chandrapura - Godhara line at 220 KV Halol	3	0	3	Delay in Land allotment of Halol substation

13	220 kV D/C Vyankatpura - Halol line	10	0	10	Delay in Land allotment of Halol substation
14	220 kV D/C Amreli (400 KV) - Maglana line	20	0	20	Scheme to be revise considering non feasible
15	LILO of 220 kV S/C Vallabhipur - Vartej line at 220 KV Maglana substation	4	2	2	Change in priority due to other time bound projects like GEC-I, Radhanesda & Kishan Suryodaya Yojana etc
16	220 kV D/C Keshod (400 KV) - Keshod line	7	0	7	Delay in land allotment
17	220 kV D/C Keshod (400 KV) - Veraval line	10	0	10	Delay in land allotment
18	LILO of 220 kV S/C Chorania - Gondal ine at Rajkot-II s/s	2	0	2	Delay in Land allotment
19	220 kV Hadala - Rajkot-II line	2	0	2	Delay in Land allotment
20	220 kV D/C Pipavav - Otha line	2	0	2	Change in priority as per system requirement
21	220 kV D/C Pipavav - Bagasara line	2	0	2	Change in priority as per system requirement
22	220 kV D/C Radhanesda-Vav(PGCIL) line No.1	0	20	-20	Change in priority for early execution due to Radhanesda Solar Park
Total		199	22	177	

vii. 132 kV Substation: Planned: Rs 0 Cr, Actual: Rs 24 Cr, Diff.: Rs -24 Cr

Cost of Spill-over projects not envisaged:

Sr. No	Substation	Planned	Actual	Deviation	Reason/Current Status
1	132 KV Vaghasia	0	19	-19	Final Land Cost
2	132 kV Deesa - Sankhari line- Bay work	0	4	-4	Approval included in Line works
Total		0	23	-23	

viii. 132 kV Transmission Line: Planned: Rs 0 Cr, Actual: Rs 16 Cr, Diff.: Rs -16 Cr

There is Shifting of cost from approved year cost due to change in Time line as approval for the lines on which capital expenditure incurred in FY 2020-21 has already been taken in the MYT tariff petition against Financial year 2017-18 & 2018-19.

Sr. No	Transmission Line	Planned	Actual	Deviation	Reason/Current Status
1	LILO of 132 KV S/C Junagadh - Talala line at 220 KV Shapur	0	1	-1	Approval for Rs 9.18 Cr taken in 2017-18. Line was delayed due to severe RoW issue
2	LILO of circuit of 132 KV S/C Gondal - Haripur line at 220 KV Visavadar substation	0	3	-3	Approval for Rs 9.27 Cr taken in 2017-18. Line was delayed due to severe RoW issue.
3	LILO of circuit of 132 KV D/C Mehsana - Patan line at 400 KV Sankhari substation	0	3	-3	Approval for Rs 3.71 Cr taken in 2018-19. Line was delayed due to severe RoW issue.

4	LILO of both circuits of 132 KV D/C Jasdan Wind farm - Jasdan line at 220 KV Babara substation on M/C Tower line	0	8	-8	Approval for Rs 13 Cr taken in 2018-19. Line was delayed in Land acquisition of 220 kV Babara substation
Total		0	15	-15	

ix. 66 kV Substation: Planned: Rs 348 Cr, Actual: Rs 581 Cr, Diff.: Rs -233 Cr

- Capex for the planned substation in FY 2020-21: Rs 348.25 Crs
- Capex incurred in FY 2020-21 for Spill-over works like Final bills closing, Final land cost & other minor miscellaneous cost: 137.52 Cr
- Capex incurred in FY 2020-21 for Advance action of upcoming substations: Rs 94.9 Cr

x. 66 kV Transmission Line: Planned: Rs 170 Cr, Actual: Rs 575 Cr, Diff.: Rs -405 Cr

- Major deviation is due to Kisan Suryodaya Yojana (KSY) approved in FY 2019-20 by GoG while MYT petition filed in the year 2015
- Capex incurred under KSY for FY 2020-21: Rs 400 Cr

6. As per the Tariff order dated 26th March 2020, the Commission has directed to provide calculation of system availability according to the applicable GERC (MYT) Regulations, describing all transmission elements categorised voltage-wise and element-wise. Though GETCO has provide the same on 5th July 2021, the same is also required to be part of the True-up petition and hence requested to provide the same.

Compliance:-

Calculation of system availability describing all transmission elements categorized voltage wise and element wise are as under.

(A)Element wise % Availability (TAFM) = 1-NAFM

Where **NAFM** = Element Wise Non Availability (NAFM)
= **OH/THM**

Where OH= Outage Hrs

THM=Time Considered for Availability in Hrs per month

For line, Transformer & Reactor

(B) % Total Availability class wise of lines, Transformer & Reactor

Total TAFM = 1- Total NAFM

Where Total NAFM = ((Sum of Non Availability (NAFM) x Sum Weightage factor(WF))
Sum of Weightage factor(WF)

Where Weightage factor(WF) for lines, Transformer & Reactor are as under

(1) Weightage Factor for line =CktKM*NSC

Where **NSC=No of Sub Conductors, NSC = 1 up to 220KV lines, 2 for 400KV lines**

(2) Weightage Factor for Transformer =MVA capacity*Nos of TRF*MF

MF =2.5 all class of TRF

(3) Weightage Factor for Reactor =MVAR capacity *Nos of Reactor *MF

MF= 4 for reactor

Example for calculation overall class wise availability for Lines, Transformer & Reactor.

SR.	Class of voltage	Sum Non	Sum of	Total NAFM	%age
NO	of line/TRF/Reactor	Availability x sum	Weightage	=	Availability

	of all Class	Weightage factor(WF)	factor(WF)	(sum Non Availability sum Weightage factor(WF)) / sum Weightage factor (WF)	(TAFM=1- total NAFM X 100
1	400KV Line	84.39	9188.24	0.0091	99.08
2	220KV Line	164.742	21468.97	0.0076	99.23
3	132KV Line	27.87	5686.40	0.0049	99.51
4	66KV Line	101.11	36897.04	0.0027	99.73
5	Transformers	1353.89	176812.50	0.0076	99.23
6	Bus Reactor	116.69	10064.00	0.0115	98.84

7. GETCO should submit SLDC Certificate for actual transmission system availability of 99.47% and actual transmission loss of 3.41% for FY 2020-21.

Compliance:-

- Copy of SLDC Certificate for actual transmission system availability is attached as **Annexure –F**
- Copy of SLDC for actual transmission losses of 3.50% is attached as **Annexure –G**. it is further to state the transmission losses as per GETCO calculation is 3.41%

8. GETCO should submit its computation of transmission loss of 3.41% in terms of Energy input and Energy output for each month during FY 2020-21.

Compliance:- Computation of transmission loss of 3.41% in terms of Energy input and Energy output for each month during FY 2020-21 is as follows:

A	B	C	D=B-C	E=D/B
Month	Energy Injected	Energy Supplied	Loss	% losses
Apr-2020	7239.88	7001.46	238.41	3.29
May-2020	8674.18	8347.13	327.05	3.77
Jun-2020	7957.88	7689.20	268.69	3.38
Jul-2020	8113.59	7858.79	254.80	3.14
Aug-2020	7283.59	7027.67	255.92	3.51
Sep-2020	8354.47	8078.90	275.57	3.30
Oct-2020	9823.43	9507.16	316.28	3.22
Nov-2020	8873.75	8577.45	296.30	3.34
Dec-2020	9473.85	9145.12	328.73	3.47
Jan-2021	9527.71	9198.40	329.30	3.46
Feb-2021	8912.96	8609.40	303.56	3.41
Mar-2021	10469.40	10090.18	379.22	3.62
Overall	104704.69	101130.86	3573.83	3.41

9. Regarding the computation of depreciation, GETCO should:
 - a. GETCO to provide detailed calculation of depreciation claimed in the Petition;
Compliance:- Detailed calculation of depreciation claimed in the Petition, are attached as **Annexure – H**.
 - b. Submit details of Assets that have completed depreciation equivalent to 90% of GFA;
Compliance:- Details of Assets that have completed depreciation equivalent to 90% of GFA, are attached as **Annexure – I**.
 - c. Confirm that the deprecation on assets that have already depreciated up to 90% of GFA have not been considered;
Compliance:- Yes, the deprecation on assets that have already depreciated up to 90% of GFA have not been considered.
 - d. Confirm the treatment of depreciation on assets funded by grants.
Compliance:- The assets created from grants are depreciated as per the rates provided in GERC MYT Regulations which works out to be 5.28%. Further, as per the requirements of Ind AS20, Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. In order to be compliant with the provisions of Ind AS-20 and to Match the Deprecation charged on the assets, GETCO is amortizing Grants and Consumer contribution for first 12 years as per the rate of depreciation of GERC (5.28%) and then remaining balance of Grants and Consumer contribution is amortized over remaining 23 years (As per GERC's methodology of calculating depreciation in MYT regulations).

10. GETCO has computed the weighted average rate of interest of 6.95% for FY 2020-21. In this regard, GETCO should submit the following:
 - a. Documentary evidence for actual loan addition for GETCO during the year;
Compliance:- Documentary evidence for actual loan addition for GETCO during the year, attached as **Annexure - J**
 - b. Documentary evidence in the form of letter from bankers/financial institutions etc. certifying the opening and closing loan balances, interest paid during the year and computation for actual weighted average rate of interest for FY 2020-21.
Compliance:- Details attached as **Annexure - J**
 - c. GETCO should provide exact date of new loans addition and loans which are totally repaid during FY 2020-21.
Compliance:- The exact date of new loans addition and loans which are totally repaid during FY 2020-21, details attached as **Annexure - J**

11. As regards Other Financial Charges of Rs. 12.25 Crore under Interest Expenses, GETCO should submit the following:
 - a. Nature of expenditure incurred of Rs. 1.68 Crores (as specified in Audited accounts) against Bank charges, Commission and others
Compliance:- Details attached as **Annexure - K**
 - b. Details and computation of loss on Foreign Exchange Fluctuation of Rs. 10.57 Crore (as specified in Audited accounts) along with documentary evidence, including actual payment of foreign debt, date of payment, exchange rate on date of payment, etc.;
Compliance:- Details attached as **Annexure – L & L-1**
 - c. Details of hedging cost incurred by GETCO in FY 2020-21, if any.
Compliance:- The hedging cost incurred by GETCO in FY 2020-21 is Nil.

12. Regarding Income Tax, GETCO should submit the following;

- a) Rationale under which the current income tax has been bifurcated for GETCO and SLDC Claim.

Compliance:- Based on the Annual Accounts of SLDC (As certified by Statutory Auditor), the current tax of GETCO – STU has been derived.

- b) Copies of Challans and ITR of Income Tax payment

Compliance:- The details of Copies of Challans and ITR of Income Tax payment are attached as **Annexure - M**

- c) Confirm whether any refund of Income Tax has been received in FY 2021-22.

Compliance:- No refund of Income Tax has been received in FY 2021-22.

- d) Computation of Income Tax payable of amount of Rs. 329.88 Crore for FY 2020-21.

Compliance:- Details attached as **Annexure - N**

II. Queries Related to Audited Accounts

1. GETCO has claimed capitalisation of Rs.1850.23 Crores which needs to be reconciled with asset addition given in Annual accounts Note No.2.

Compliance:-

GETCO has claimed total capitalization for FY 2020-21 of Rs. 1830.93 Crore (Rs. 1829.96 Crore of FY 2020-21 + Rs. 4.71 Crore disallowed Capitalization during FY 2019-20 - 3.74 Crore SLDC capitalisation). Capitalization of Rs. 1850.23 Crore written in Section 3.5.2 of the Petition is typographical error and it should be considered as Rs. 1830.93.

2. GETCO to provide the details of R&M incurred of Rs. 9.84 Crores under the heading "Others" (as per Note 36 of Audited accounts and Form 2.5)

Compliance:- The details of R&M incurred of Rs. 9.84 Crores under the heading "Others" are attached as **Annexure - O**

3. Details and computation of loss on Foreign Exchange Fluctuation of Rs. 10.57 Crore (as specified in Audited accounts) to be reconciled with Note No. 57 of the audited accounts;

Compliance:- Details attached as **Annexure L & L-1**. Further in the notes to the accounts (Note no. 57), the amount specified of Rs. 10.36 crores, is related to foreign exchange loss due to the fluctuation of Euro as on 31.3.2021. In addition to the above mentioned amount, there is foreign exchange fluctuation of Rs. 0.21 crore due to timing difference between the date of claiming of funds by GETCO from KfW and passing of funds by KfW

4. As per Note 31 of the Annual Audited accounts, the Total Revenue from Transmission Charges specified is Rs. 4255.16 Crores for FY 2020-21 but the Revenue approved for FY 2020-21 is Rs. 4369.24 Crores. GETCO to provide the reconciliation of the same.

Compliance:- Details attached as **Annexure - P**

5. GETCO should clarify on Miscellaneous Charges, O&M Charges, Reversal of Expected Credit Loss and Other Miscellaneous Receipts reported in Revenue and Other income (Note no. 31 and 32) in Annual Audited Accounts for FY 2020-21

Compliance:- Details attached as **Annexure - Q**

III. Clarification

1. As per Para 3.5.2 of the Petition submitted by GETCO, the capitalisation is Rs. 1850.23 Crores, however as per para 3.5.7, the capitalisation amount claimed is Rs. 1829.96 Crores. GETCO to provide the clarification for the same.

Compliance:- It is Typo Error. However, the capitalisation has been correctly claimed.

2. As per Para 3.6.1 of the Petition, GETCO has submitted the addition of 1 Substation of 400 KV, however no circuit lines has been outlined against the said substation. GETCO to provide the details of the asset put to use along with power flow from the said assets.

Compliance:-

Substation considered under 400 kV voltage class is 400 kV Pachcham substation which commissioned on 25/03/2021. Its associated lines are commissioned in FY 2018-19. Detail of associated lines are:

- LILO of one ckt. 400 kV D/C Kosamba - Chorania Line at 400 kV Pachchham S/S commissioned on 23.02.2019
- LILO of 220 kV S/C Kasor-Vartej line and 220 kV S/C Karamsad-Vartej line at 400kV Pachchaam S/s on M/C tower commissioned on 08.06.2018

3. As per Table 13 of the Petition, it was observed that Network outages and Fault for 132 kV are marginally higher than 66 kV w.r.t Sustained Fault (SF) and Emergency Shut Down (ESD). GETCO to provide clarification for the same.

Compliance:- Reason for Network outages and fault for 132kV are marginally higher than 66kV w.r.t sustained fault(SF) and Emergency shut down(ESD) due to conductor Snapping /SRI failure/hot point/safety purpose ESD/jumper fault etc. particular in coastal area during the month of jun-20/july-20/August-20/sept-20/Oct-20

4. As per Para 3.12.3, GETCO has claimed Employee expenses of Rs. 954.68 Crores alongwith adjustment related to 7th Pay commission and other comprehensive income. GETCO should provide the following details;

- a) GETCO to provide the rationale of Comprehensive income of Rs. 16.88 Crores claimed as expenses under the employee expenses head.

Compliance:- It is to mention that in January 2015, Ministry of Corporate Affairs ('MCA') issued the road map for implementation of Indian Accounting Standards ('Ind AS') (as converged with the International Financial Reporting Standards ('IFRS')) for certain specified class of companies other than Banking Companies, Insurance Companies and Non-Banking Finance Companies ('NBFCs'). As per the road map, Ind AS are applicable in a phased manner on a mandatory basis for the accounting periods beginning on or after April 01, 2016, with comparatives for the periods ending March 31, 2016. Accordingly, Ind AS as notified by MCA on February 16, 2015 was applicable to GETCO and Annual Accounts of FY 2016-17 was prepared as per Ind AS.

As per the Provisions of Ind AS, Re-measurement arising from gains or losses related to both defined benefit obligations and the fair value of plan assets due to asset ceiling and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. The re-measurement effect are non-re-classifiable components, which mean the balance in the re-measurement reserves will not go to the profit and loss even when the employee benefit expenses are paid off. The re-measurement effects of post employment benefit obligations which are recognized in the OCI are changes due to actuarial assumptions, changes due to return of plan assets and changes due to effect of asset ceiling.

It is to highlight in the regime of Pre Ind AS i.e Indian GAAP, Re-measurement arising from gains or losses related to defined benefit obligations was included in the Employee Benefit Expense

So, GETCO has shown /disclosed the Re-measurement arising from gains or losses related to defined benefit obligations in OCI to comply with the requirement of Ind As, However as the item is related to Employee Benefit

expense, same is claimed by GETCO in its True Up under Employee Benefit Expense.

- b) GETCO to provide the details under which head the above stated amounts are shown in the audited accounts of GETCO;

Compliance:- The amount of Comprehensive income of Rs. 16.88 Crores has been accounted under the head 'Other Comprehensive Income' in the Profit & Loss account. Accounting entry of the amount recognized under Comprehensive income is attached as **Annexure R, R-1 and R-2**

- c) A reconciliation of above stated amounts and similar amounts/claims of SLDC vis-à-vis Annual Accounts of GETCO.

Compliance:- Other Comprehensive income amounting to Rs.17.17 Crores is recognized in the audited accounts of GETCO as a whole, out of which Rs. 0.29 Crore pertains to SLDC. Therefore, amount pertains to GETCO-STU is Rs.16.88 crores.

- d) The period of actual payment of such amounts of comprehensive income paid with documentary proof;

Compliance:- The accounting of Comprehensive Income has been done as per the Ind AS provisions. There is no direct correlation between actual payment of employee benefits vis a vis accounting of Comprehensive Income.

- e) Reconciliation of arrear payment of Rs. 69.60 Crore during FY 2020-21 against 7th Pay Commission;

Compliance:- Details attached as **Annexure - S**

- f) Amount of arrears pending at end of FY 2020-21 for remaining years.

Compliance:- Details attached as **Annexure - T**

- g) Nature and details of Staff welfare expenses incurred for FY 2020-21 of Rs. 9.82 Crore with break-up in GETCO and SLDC cost.

Compliance:- Details attached as **Annexure - U**

- h) As per Note No. 29 of the annual accounts, Provisions for employee benefits has been accounted for. GETCO to provide the details of the provision made for the FY 2020-21.

Compliance:- Details attached as **Annexure - V**

- i) As per Note no. 65 of the Annual audited accounts, provision of Rs. 275 lakhs have been made for 11 employees in FY 2020-21 who has died due to COVID-19. GETCO to provide the status of actual payment of this compensation to their families.

Compliance:- A Provision for Compensation to Deceased Employees on account of Death due to Covid 19 for FY 2020-21 is made of Rs.2.75 crores. The family members of deceased employees will be paid the said compensation if the criteria/terms and conditions as per GUVNL Circular is fulfilled.

5. As per Para 3.12.5 of the Petition, GETCO has claimed A&G expenses without any clarification on certain cost parameters. GETCO to provide justification on the outlined matter:

- a. To submit detail clarification and nature of expenses on various elements covered as part of:
- Other Administration and General Expenses,
Compliance:- Its comprises of Expenditure incurred for upkeeping work for control room building & switch yard area and Incidental store expenditure including transportation, loading and unloading of store material.
 - Expected Credit loss of recoverable,
Compliance:- This includes the provision for the doubtful debts for the trade receivable.
 - Net shortage / impairment of Fixed assets,
Compliance:- It comprises of the impairment of capital expenditure of the projects which has been dropped and impairment of capital expenditure of the projects held up / dropped as the supplier/ contractor is admitted under Insolvency and Bankruptcy Code.
 - Expenditure for COVID-19 pandemic,
Compliance:- This includes the expenditure incurred for purchase of sanitization and safety equipments for protection against COVID-19 pandemic
 - Expenditure for Kisan Suryoday Yojana,
Compliance:- This includes the administration expenditure incurred for Kisan Suryoday Yojna scheme for providing daylight to the farmers.
 - Miscellaneous Expenses and
 - Miscellaneous Losses.
Compliance:- It comprises of the miscellaneous expenditure incurred towards welfare expenditure towards employee, annual inspection and checking charges.

- b. GETCO to provide justification on increase in following cost as compared to FY 2019-20

Nature of Expenses	FY 2019-20	FY2020-21	Variation
Testing Charges	122.45	172.12	41%
Legal & Professional Fees	415.23	601.14	45%
Travelling & Conveyance	4774.67	5181.27	9%
Advertisement	178.34	208.38	17%
Net shortage/impairment of FA/CWIP	737.02	1281.42	74%

Compliance:- Details attached as **Annexure - N**

6. With respect to Table 18 of the Petition, GETCO has not highlighted the assets deducted of Rs. 28 Crores (as per Form 4) from GFA while claiming depreciation. GETCO to provide rationale for the same.

Compliance:-

It is to submit that GETCO has considered net asset addition which includes addition during the year of Rs. 1860.49 Crore (Rs. 1858.94 Crore addition as per accounts + Rs. 4.71 Crore disallowed Capitalization during FY 2019-20 – Rs. 3.16 Crore SLDC capitalization) as well as deduction during the year of Rs. 29.56 Crore (Rs. 28.97 Crore as per accounts – Rs. (0.58) Crore SLDC capitalization) while claiming depreciation.

7. GETCO has also not provide the impact of reduction in assets as specified in Form 5 and Audited accounts, while calculating the interest on loan and Return on equity. GETCO to provide the rationale for the same.

Compliance:-

It is to submit that GETCO has considered net asset addition while working out funding requirement for FY 2020-21 and hence impact of reduction in assets automatically gets captured.

8. GETCO to provide the detailed calculation of Rs. 424.17 Crore amount of reversal of Deferred income related to Grants and consumer contribution and the impact of the same by way of accounting entry in the balance sheet.

Compliance:- Details attached as **Annexure – X & X-1**

IV. Formats

1. As per Form 4, Addition of the assets has been made in line with the audited accounts. However, the addition of Rs. 4.71 Crore though has been added in total but is not bifurcated in the related block of assets resulting in discrepancy in total.

Compliance: -

It is to submit that GETCO has provided details of assets addition and deduction during the year. Total provided in cell C25 of Form F4 should be considered as Rs. 1858.94 Crore.

2. Depreciation total in Form 4 doesn't reconcile with Table 18 of the Petition.

Compliance: -

It is to submit that in Table 18, GETCO has considered depreciation of Rs. 1189.71 Crore (Rs. 1193.06 Crore as provided in Form 4 as per accounts – Rs. 3.43 Crore SLDC depreciation).

3. Form 5 - Details of existing actual long-term loan is not provided for FY 2020-21 and FY 2022-23.

Compliance: -

GETCO has worked out interest rate of actual long-term loan for FY 2020-21 which is provided in table below. For projection of interest rate for FY 2022-23, GETCO has considered actual interest rate of FY 2020-21 in line with the approach adopted by the Hon'ble Commission in past Order and hence GETCO not worked out interest rate for long-term loan for FY 2022-23.

Particular	FY 2020-21 (Actuals)				(Rs.
	Opening Loan	Additions	Repayments	Closing Loan	
REC	15,13,51,75,000		11,00,74,00,000	4,12,77,75,000	
State Bank of India TL - II -400 CR.	1,30,00,00,000		40,00,00,000	90,00,00,000	
State Bank of India TL - III -400CR.	54,55,09,000		40,00,00,000	14,55,09,000	
State Bank of India TL -I V 2000 CR.	7,38,97,37,000		2,00,00,00,000	5,38,97,37,000	
STATE BANK OF INDIA TL-V	1,78,61,00,000		33,88,00,000	1,44,73,00,000	
ADB Loan No. 2778	4,09,66,27,237		34,43,13,316	3,75,23,13,921	
GSFS-13	1,20,00,00,000		1,20,00,00,000	-	
GSFS-14	1,90,00,00,000		1,20,00,00,000	70,00,00,000	
GSFS-15	3,80,00,00,000		2,40,00,00,000	1,40,00,00,000	
GSFS-16	4,11,76,47,060		2,35,29,41,176	1,76,47,05,884	
GSFS-17	5,00,00,00,000		62,49,99,999	4,37,50,00,001	
GSFS-18	70,00,00,000	4,30,00,00,000	62,49,99,999	4,37,50,00,001	
GSFS-19		10,00,00,00,000		10,00,00,00,000	
GSFS-20		5,00,00,00,000		5,00,00,00,000	
GSFS-21		5,00,00,00,000		5,00,00,00,000	
GSFS-22		5,00,00,00,000		5,00,00,00,000	
GSFS-23		3,14,00,00,000		3,14,00,00,000	
ADB LOANS-1804	28,19,89,654		5,70,04,930	22,49,84,724	
KFW Loan	3,55,24,27,676	2,36,14,95,388		5,91,39,23,064	
Total	50,80,52,12,627	34,80,14,95,388	22,95,04,59,420	62,65,62,48,595	

**Average
Loans
Interest
Rate**

56

6.95%

B. ARR for FY 2022-23

I. Requirement of additional data

1. GETCO should submit the need and Cost-Benefit-Analysis for each of the Capex Schemes proposed for FY 2022-23.

Compliance: -

Cost-Benefit-Analysis for each of the Capex Schemes proposed for FY 2022-23 is attached herewith as **Annexure-Y**

2. GETCO to provide the details of the scheme which has resulted due to spill over and the reasons for delay in such projects.

Compliance: -

Details of the scheme which has resulted due to spill over and the reasons for delay in such projects is attached herewith as **Annexure-Z**

3. GETCO should submit the scheme-wise preparedness for achieving the projected capex and capitalisation in FY 2021-22, in terms of:
 - a. DPR preparation status;
 - b. Board approval status;
 - c. Order placement status;
 - d. Status of approvals, clearances, Right-of-Way, land acquisition, etc.

Compliance: - Scheme-wise preparedness for achieving the projected capex and capitalisation in FY 2021-22 is attached herewith as **Annexure-AA**

4. GETCO should provide detailed calculations for arriving at following components for FY 2022-23:
 - a. Opening GFA for FY 2022-23
 - b. Opening balance of normative loan for FY 2022-23
 - c. Regulatory equity at the beginning of FY 2022-23
 - d. O&M expenses for FY 2022-23 along with the Norms.

Compliance: - Details of GFA, normative loan, equity and O&M is as under:

Rs. Crore				
Particular	GFA	Normative Loan	Equity	Remarks
Closing Balance of FY 2020-21 (a)	29354.79	7003.04	7324.86	
Opening Balance of FY 2021-22 (b = a)	29354.79	7003.04	7324.86	
Addition (c)	2400.66	1427.06	611.60	Same as approved for FY 2021-22 in Tariff Order in case no. 1909 of 2020 dated 30 March, 2021
Reduction (d)	-	1349.02	-	
Closing Balance of FY 2021-22 (e = b + c - d)	31755.45	7081.08	7936.06	
Opening Balance of FY 2022-23 (f = e)	31755.45	7081.08	7936.06	

Sr. No.	Particulars	Units	FY 2020-21 (Projection)	FY 2021-22 (Projection)	FY 2022-23 (Projection)
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NO.			(Projection) Actual	(Projection) Projections	(Projection) Projection
1	Substations (Bays)				
	Opening Number of Bays	Number	14,306	15,025	15,771
	Addition during year	Number	719	746	900
	Closing Number of Bays	Number	15,025	15,771	16,671
	Average Number of Bays	Number	14,666	15,398	16,222
	O&M expense norm per Bay	INR Lakhs	9.50	8.98	9.44
	Total O&M Expenses Substations	INR Crores	1,393	1,383	1,550
2	Transmission Lines (Ckt km)				
	Opening Ckt km	Ckt km	61,185	62,449	65,200
	Addition during year	Ckt km	1,264.41	2,752	2,370
	Closing Ckt km	Ckt km	62,449	65,201	67,570
	Average Ckt km	Ckt km	61,817	63,825	66,385
	O&M expense norm per Ckt km	INR Lakhs	0.81	0.88	0.90
	Total O&M Expenses Transmission Lines	INR Crores	501	562	600
3	Total O&M Expenses (as per norms)	INR Crores	1,894	1,944	2,150

II. Clarification

1. GETCO has claimed the transmission loss of 3.72% which is higher than the transmission loss of 3.41% claimed for FY 2020-21. GETCO to justify the projection of higher transmission loss.

Compliance: -

Last five Year losses details are as under

Year	%Losses
2016-17	3.85
2017-18	3.72
2018-19	3.92
2019-20	3.68
2020-21	3.41
Projected	3.72

From the above last five-year data, average losses is 3.72%, hence, GETCO Projected 3.72%. the following are the considerations, which impacting on the transmission losses:

- Due to COVID-19 pandemic situation, Gujarat Catered (total demand) is reduced. Wherein in the major part i.e. consumption of Industrial load is decreased compared to previous year
- The Gujarat state overall load is decreased in Year 2020-21, so it directly affects I²R loss which is less compared to previous year
- The Wind generation is decreased with compared to past year, which directly affect as decrease in Tr loss.
- The wind generation injection nodes in the Gujarat network is far from load centers

When the less wind generation injection observed, therefore, the conventional generation and solar generation is scheduled in the corresponding months and it impact on yearly Tr losses.

- The solar generation is increased compared to previous year.
 - The Solar generation is evacuated in the local load pockets, which impact in overall transmission loss.
 - Absolute value of transmission loss cannot be predicted or fixed.
 - Transmission loss is purely a technical loss. It is inevitable and vary according to power flow profile in reference to transmission system operation with respect to energy demand and energy supply.
 - Transmission loss is variable in nature and depends upon many factors, like voltage level, type of load, seasonal variation, current situation as COVID-19 pandemic, etc.
2. GETCO to clarify why no efficiency in availability has been considered for FY 2022-23 as compared to previous years.

Compliance: -

GETCO has achieved availability of 99.47% in FY 2020-21 which is well above prescribed level of 98.50%. It is to submit that it is difficult to achieve efficiency once you reach certain availability level and hence no efficiency is considered for projection of availability of FY 2022-23 and estimated at level of 99.47%. GETCO would like to submit that it is committed for better performance and will put its all efforts to achieve the same.

3. GETCO in its submission in Para 2.5.2 has stated that the transmission capacity for FY 2020-21 was 27,727 MW and has projected the transmission capacity of 33,330 MW for FY 2022-23. GETCO to provide the additional capacity (variance) source wise resulting in increase in the said /transmission capacity.

Compliance: - Projected capacity addition during FY 2021-22 and FY 2022-23 is as under:

Sr. No.	Station	Rated Capacity	Aux Cons (%)	Gujarat Share	Transmission Losses (%)	Total MW of GETCO System
Additional Loading of Transmission System for FY 2021-22						
A	GSECL Plants					
	Total GSECL Plants			-		
B	IPPs					
	Total IPPs Plant			-		
C	Share from Central Sector					
	NTPC (Medium Term - 5 years)		5.75	866	5	
	Total Central Sector Share			866		7
	CPP Wheeling			-		
	Wind Farm Capacity			100		
	Solar Project			2,155		2,155
	Bio-Mass Power capacity			67		
	Others (Small/ Mini Hydal & MSW)			-		
	Total for FY 2021-22 (MW)			3,188		3,0

Additional Loading of Transmission System for FY 2022-						
A	GSECL Plants					
	Total GSECL Plants			-		
B	IPPs					
	GSEG Hazira	156	2.90	156		(151.6)
	Total IPPs Plant			156		(151.6)
C	Share from Central Sector					
	Total Central Sector Share			-		
	TOTAL			156		(151.6)
	CPP Wheeling			-		
	Wind Farm Capacity			-		
	Solar Project			2,600		2,600
	Bio-Mass Power capacity			60		
	Others (Small/ Mini Hydal & MSW)			-		
	Total for FY 2022-23 (MW)			2,816		2,544

4. Under Annexure E – CAPEX details for FY 2022-23, GETCO has not provided the details of CAPEX related to R&M Cost of Rs. 504.17 Crores claimed in the Petition.

Compliance:-

Details of CAPEX related to R&M Cost of Rs. 504.17 Crores claimed in the Petition is attached herewith **Annexure-AB**

III. Formats

1. Form 2 - Details of Bays and Ckt. Km derived for FY 2022-23 is to be provided.

Compliance: - Working of Bays and Ckt. Km derived for FY 2022-23 is as under:

Sr. No.	Particulars	Units	FY 2020-21 (Projection)	FY 2021-22 (Projection)	FY 2022-23 (Projection)
			Actual	Projections	Projections
1	Substations (Bays)				
	Opening Number of Bays	Number	14,306	15,025	15,771
	Addition during year	Number	719	746	9
	Closing Number of Bays	Number	15,025	15,771	16,600
2	Transmission Lines (Ckt km)				
	Opening Ckt km	Ckt km	61,185	62,449	65,201
	Addition during year	Ckt km	1,264.41	2,752	2,300
	Closing Ckt km	Ckt km	62,449	65,201	67,501

2. Form 4 – Opening balance of GFA for FY 2022-23 considered is Rs. 31720 Crores whereas per Table 47 of the Petition, the amount is Rs. 31755 Crores. GETCO to rectify the same.

Compliance: -

Opening balance of GFA for FY 2022-23 is Rs. 31755 Crore. Please find attached revised Form 4 as a **Form 4**.

3. Form 4 – Depreciation claimed for FY 2022-23 is Rs. 1415 Crore whereas as per Table 47, the depreciation claimed is Rs. 1382 Crores. GETCO to rectify the same. Also, to rectify Table 54 accordingly.

Compliance:-

Depreciation for FY 2022-23 is Rs. 1382 Crore. revised Form 4 is attached herewith as **Annexure-AC**

It is requested to appraise the Hon'ble Commission accordingly.

For, Gujarat Energy Transmission Company Limited

(-S/d-)

Addl. Chief Engineer (R&C)
GETCO

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