



STATE LOAD DISPATCH CENTRE

132 KV Substation Campus, Opposite Kalpvruk Complex,
Gotri Road, Vadodara - 390 021, Contact No. 0265-2352103, Fax: 0265-2352019

Executive Summary of SLDC Budget 2010-11

Ref. No. GETCO /SLDC/ 1725

Date: 31st December'09

Introduction

- i) State Load Dispatch Centre (herein after referred as "SLDC") of Gujarat is notified by Government of Gujarat under Section 31 of the Electricity Act, 2003 (36 of 2003) vide reference no. GHU-2004, 31-GEB-1104-2946-K dated the 29th May, 2004 w.e.f.1st June'2004. SLDC is operated by Gujarat Energy Transmission corporation ltd. as per said Government order.
- ii) In pursuance of Section 61 to 64 of Electricity Act'2003 and "Levy and Collection of Fees and Charges by SLDC Regulations, 2005' issued by GERC vide Notification No. 5 of 2005" & Tariff Regulation 2005, annual revenue requirement and SLDC fees and charges is to be approved by Gujarat Electricity Regulatory Commission.
- ii) Hon'ble Gujarat Electricity Regulatory Commission has directed GETCO vide order dated 17th January'09 that the annual revenue requirement proposal for SLDC is to be filed separately.
- iii) Accordingly, State Load Dispatch Centre of Gujarat has filed a petition bearing case no. **991 of 2010** before Hon'ble Gujarat Electricity Regulatory Commission for annual revenue requirement and determination of SLDC fees and charges for the financial year **2010-11** along with capital expenditure budget.

Salient features of SLDC-Budget for the year 2010-11.

Gujarat SLDC has separated account as on 31st March'2009 from Gujarat Energy Transmission Corporation Ltd. SLDC-Gujarat has further estimated expenses for financial year 2009-10 based on the actual expenses up to September'09. Based on the estimated expenditure of 2009-10, projection for year 2010-11 is carried out on the basis of certain key financial assumptions summarized as under:

- i) An escalation rate of 8%, 10% and 8% has been considered for estimating employee cost, Repairs and maintenance (R&M) cost and Administration and General (A&G) expenses respectively for Financial Year 2010-11.
- ii) Gujarat-SLDC has considered the Return on Equity @ 14% and in accordance with methodology with Terms & Condition of Tariff regulation 2005 issued by GERC.

- iii) Depreciation for the financial year 2010-11 is calculated by considering depreciation rate as per Company's Act provisions for various block of assets.
- iv) SLDC-Gujarat has not claimed any Advance Against Depreciation for the financial year 2010-11.
- v) Interest of Working Capital is computed as per GERC regulation for "Levy and collection of SLDC fees and charges" at the interest rate of 10.25%.
- vi) Interest on future long term loans to be taken towards Capital expenditure at the rate of 10.50%.
- vii) Other income is projected based on past trends including charges recovered under short term open access and rescheduling charges proposed for Long term open access users.

Summary of SLDC-Budget for Financial Year 2010-11:

Annual Revenue Requirement		
Particulars (Lacs)	2009-10	2010-11
Employees Cost	576.64	622.78
Repairs & Maintenance	64.64	71.10
Admin. & General Expenses	251.75	272.89
Interest on Working Capital	23.99	28.69
RLDC fees & Charges	11.76	12.93
Charges for ULDC & Other related projects	795.78	1021.37
WAM Charges	0.00	22.65
Less : Other income	138.50	273.93
(Sub Total) Operating cost budget	1,586.06	1,778.48
Depreciation	40.58	72.72
Interest & Finance Charges	60.22	115.37
Return on Equity	48.35	84.68
Total Fixed Costs	149.15	272.77
Less: Expenses Capitalized	0.00	0.00
Add : Provision for Tax	7.47	13.08
(Sub Total) Capital cost budget	156.62	285.86
Total Revenue Budget	1742.68	2064.34

Annual Revenue Requirement of SLDC-Gujarat for Financial Year 2010-11 is estimated as Rs.2064.34 Lacs.

Proposed Recovery Mechanism for SLDC fees and charges

- (i) **Registration or Grid Connection Fees:** Corresponding to clause no.3 of regulation 5 of 2005 issued by GERC, it is applicable to existing grid user and forthcoming grid user. It is proposed as Rs.100000/-
- (b) **SLDC Fees** –Annual SLDC fees shall be recovered from generating stations and distribution licensee/beneficiaries in proportionate to their installed capacity and capacity allocation to distribution licensee on semi annual basis.
- (c) **SLDC Charges** –Annual operating costs estimated for the control period is to be recovered from the generating stations and distribution licensee on monthly basis.
- (d) **Rescheduling Charges** – Rescheduling charges is to be recovered for each request for rescheduling by generating companies, distribution licensees, trading companies, transmission OA users (including short term and long term), Power exchange as the case may be.

Determination of SLDC fees and charges

SLDC-Gujarat has proposed SLDC fees, Charges and Rescheduling Charges for the financial year 2010-11 are summarized as under. Revision is not proposed for grid connection fee determined by GERC.

SLDC Fees and Charges for FY 2010-11

SLDC Charges and Fees	
Particulars	2010-11
SLDC Charges (Rs/MW/Month)	497.96
SLDC fees (Rs/MW/Half Year)	480.23
Grid Connection Fees (Determined by GERC)	100000.00
Re-Scheduling Charges	4000.00