



**BEFORE**

**THE BIHAR ELECTRICITY REGULATORY COMMISSION  
VIDYUT BHAWAN -II, PATNA**

**Petition**

**For**

**Determination of Annual Revenue Requirement (ARR) and  
SLDC operating charges  
for FY 2019-20 up to 2021-22**

**For**

**State Load Despatch Centre (SLDC)**

**Under**

**Bihar State Power Transmission Company Limited**

**Patna**



**Chief Engineer (System Operations)**

**4<sup>th</sup> Floor, Vidyut Bhawan-1**

**Jawaharlal Nehru Marg**

**Patna - 800 021**

**28 November, 2018**



**BEFORE, THE BIHAR ELECTRICITY REGULATORY COMMISSION,**

IN THE MATTER OF

Filing of the Petition for Determination of Annual Revenue Requirement (ARR) and SLDC operating charges for FY 2019-20 to 2021-22 under BERC (Multi Year transmission Tariff & SLDC Charges) Regulation, 2018 along with the other guidelines and directions issued by the BERC from time to time.

AND

IN THE MATTER OF

Bihar State Load Despatch Centre (hereinafter referred to as "SLDC" or "Petitioner" which shall mean for the purpose of this petition the Licensee), having its registered office at 4<sup>th</sup> Floor, Vidyut Bhawan-1, Jawaharlal Nehru Marg, Patna.

The Petitioner respectfully submits as under:

1. The petitioner is a statutory body set up under Section 31 of the Electricity Act, 2003 and performs the functions specified under Section 32 of the Electricity Act, 2003. The working/ functions of the SLDC are governed by the Electricity Act 2003, Regulations/ Directions of Appropriate Government/CERC/ BERC as amended from time to time.
2. Pursuant to the enactment of the Electricity Act, 2003, State Load Despatch Centre (hereinafter referred to as SLDC) is filing this petition for Determination of Aggregate Revenue Requirement and SLDC operating charges for FY 2019-20 to 2021-22 as per procedures outlined in the governing regulations thereof.
3. The Multi-year Tariff (MYT) petition for control period FY 2013-14 to FY 2015-16 was filed on 14.11.2012 by BSPHCL on behalf of all companies and accordingly the Hon'ble Commission had issued common order for all entities (tariff order dated March 15, 2013).
4. The Hon'ble Commission in the MYT Order dated 21 March, 2016, had directed SLDC to file separate Petition for Determination of Aggregate Revenue Requirement.



5. In compliance of the BERC Regulations and Directives, BSPTCL for the first time filed separate petition for ARR of FY 2017-18 for SLDC function on 30.11.2016 and the Hon'ble Commission had issued Order on the same on March 9, 2017.
6. In compliance of the BERC Regulations and Directives, BSPTCL for the second time filed separate petition for ARR of FY 2018-19 for SLDC function on 15.11.2017 and the Hon'ble Commission had issued Order on the same on March 7, 2018.
7. SLDC, for the first time is filing its Business Plan for Control Period FY 2019-20 to FY 2021-22.in accordance with Section 5.1 of Bihar Electricity Regulatory Commission (Multiyear Transmission Tariff and SLDC Charges) Regulations 2018 and Bihar Electricity Regulatory Commission (Procedure for filing Capital investment And Capitalisation plan) Regulations, 2018.
8. As per the MYT Regulations, Business Plan shall comprise assessment of infrastructure requirement.
9. This instant Petition is being filed before the Hon'ble Commission for approval of its Multi Year Tariff for the control period FY 2019-20 to FY 2021-22.
10. This Petition has been prepared in accordance with the directions under Sec 5 of Bihar Electricity Regulatory Commission (Multiyear Transmission Tariff and SLDC Charges) Regulations, 2018. Computation of Aggregate Revenue Requirement (ARR) will be based on the Business Plan.
11. As part of this petition, SLDC is submitting the relevant data and information to the extent applicable and would make available any further information/additional data as may be required by the Hon'ble Commission during the course of the proceedings.



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## 1 Introduction

1. **Bihar State Electricity Board (“Board” or “BSEB”)** originally constituted on 1st April 1958 under Section 5 of the Electricity (Supply) Act, 1948 and was engaged in the management of electricity generation, transmission, distribution and related activities in the State of Bihar.
2. Under the new **‘Bihar State Electricity Reforms Transfer Scheme 2012’**, the BSEB has been unbundled into five companies: Bihar State Power (Holding) Company Limited (BSPHCL), Bihar State Power Transmission Company Limited (BSPTCL), Bihar State Power Generation Company Limited (BSPGCL), South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC) with effect from 1st November’ 2012 vide notification dated 30.10.2012.
3. **“Bihar State Power (Holding) Company Limited” or “BSP(H)CL”** means the Company that will own shares of newly incorporated reorganized four companies i.e. Bihar State Power Generation Company Limited, Bihar State Power Transmission Company Limited, South Bihar Power Distribution Company Limited, and North Bihar Power Distribution Company Limited.
4. **“Bihar State Power Generation Company Limited” or “BSPGCL”** means the Generating Company to which the Generating Undertakings of the Board are to be transferred in accordance with this Scheme
5. **“Bihar State Power Transmission Company Limited” or “BSPTCL”** means the Transmission Company to which the Transmission Undertakings of the Board are to be transferred in accordance with this Scheme
6. **“South Bihar Power Distribution Company Limited” or “SBPDCL” and “North Bihar Power Distribution Company Limited” or “NBPDC”** collectively mean the Distribution Companies, to which the Distribution Undertakings of the Board are to be transferred in accordance with this Scheme.



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## 2 True Up for FY 2017-18 Annual Performance Review (APR) for FY 2018-19 and Determination of ARR & SLDC Operating charges for MYT from FY 2019-20 to 2021-22

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### 2.1 Constitution of State Load Despatch Centre

Section 31 of the Electricity Act, 2003, provides for constitution of State Load Despatch Centre (SLDC):

*“31. (1) The State Government shall establish a Centre to be known as the State Load Despatch Centre for the purposes of exercising the powers and discharging the functions under this Part.*

*(2) The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government.*

*Provided that until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre:*

*Provided further that no State Load Despatch Centre shall engage in the business of trading in electricity.”*

### 2.2 Functions of State Load Despatch Centre

The functions of SLDC as envisaged in the Electricity Act, 2003, are as under:

*“32. (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State.*

*(2) The State Load Despatch Centre shall -*

*(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;*

*(b) Monitor grid operations;*

*(c) Keep accounts of the quantity of electricity transmitted through the State grid;*

*(d) Exercise supervision and control over the intra-state transmission system; and*



*(e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.*

*(3) The State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission."*

### **2.3 SLDC Charges**

The Petitioner submits that the assets of SLDC are not owned by BSPTCL. The same are owned by PGCIL which in-turn recovers cost from the Distribution Companies namely, South Bihar Distribution Company Private Limited and North Bihar Distribution Company Private Limited. The supporting documents i.e. the Minutes of the Meeting of ERPC meeting where it was decided that the SLDC assets will be created by PGCIL had already been submitted to the Hon'ble Commission with the Tariff Petition for FY 2017-18 dated 30 November, 2016.

However, day-to-day operations of SLDC are managed by BSPTCL and for the same, separate accounts are being maintained. Therefore, in view of the facts explained above and Provision of Section 31 (1), (2) & 1<sup>st</sup> Proviso of Section 31(2) of the Electricity Act, 2003, operations of SLDC are just and proper. A separate Petition for determining Aggregate Revenue Requirement is being based on expenses incurred in operationalisation of SLDC.

### **2.4 Capital Investment Plan**

**Details of upcoming projects & Schedule of capitalization are as follows:**

The Petitioner submits that the due to changing business environment and the regulations governing the power market, the capital investment plan may need to be updated at various intervals in accordance with the policy initiatives/ directions of the government and to align the growth path of the company with the external business environment and internal factors affecting the business / operations of the company.





## 2.4.1 SAMAST (Scheduling, Metering and settlement of Transmission in Electricity):

2.4.1.1 SAMAST project was implemented to create a robust, scalable and transparent framework of scheduling, metering, accounting and settlement of energy transactions at intra-state as well as interstate level, achieve operational excellence and Reduce margin of errors while quantifying the scheduling, metering, accounting and settlement of energy transactions.

**Table 2. 1: Cost Break up Project SAMAST (Rs Crores)**

S.N.	Project Details	Cost Drivers	Estimated Cost.
1	Appointment of agency for implementation of balance work of SAMAST in Bihar.	a. Software and Hardware including Licensing.	11.75
		b. Civil Work	0.30
		c. AMC (for 05 years for Hardware & Software after post warranty period i.e 01 for S/W and 03 years for H/W)	9.44
		d. Manpower cost for 05 year.	4.42
		<b>Total</b>	<b>25.91</b>

**Table 2. 2: Payment Terms Project SAMAST (Rs Crores)**

Parameter	FY 2018-19 (Rs Crores)	FY2019-20 (Projected)	FY2020-21 (Projected)	FY2021-22 (Projected)
IRF	0.30	Under implementation	Under warranty period	2.62
PSDF	0.90*	10.85	-do-	N/A
<b>Total</b>	<b>1.20</b>	<b>10.85</b>		<b>2.62</b>

\*In current year 0.66 crore may be funded from IRF on recoupment basis.

## 2.4.1.2 Capital Expenditure (CWIP) schedule out of PSDF fund for the control period 2019-20 up to 2021-22.

**Table 2. 3: Source of fund SAMAST (Rs Crores)**

Sl. No	Name of Scheme	Commissioning Date/LDOC)	Total project cost	Tentative Expenditures (Rs. In Cr)				Mode of Finance
				FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	



Sl. No	Name of Scheme	Commissioning Date/LDOC)	Total project cost	Tentative Expenditures (Rs. In Cr)				Mode of Finance
				FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
1	Appointment of agency for implementation of balance work of SAMAST in Bihar against NIT No.- 115/PR/ BSPTCL/2018.	FY - 2019-20	11.75	0.90	10.85	-	-	PSDF grant 100% i.e 11.75Cr (excluding Civil Work)

#### 2.4.1.3 Capital Expenditure CWIP through Internal Resources Fund (civil work)

Table 2. 4 Capital Expenditure CWIP through Internal Resources Fund (Rs Crores)

Name of Work	Contract Amount for Project (Rs. in Cr.)	FY: 2018-19	FY: 2019-20	FY: 2020-21	FY: 2021-22
Appointment of agency for implementation of balance work of SAMAST in Bihar	25.91	0.30	Nil	Nil	Nil

#### 2.4.1.4 Capitalisation of assets for the control period 2019-20 up to 2021-22.

Table 2. 5: Capitalization of assets

Name of Work	FY: 2019-20	FY: 2020-21	FY: 2021-22
Assets likely to be capitalised	12.05	0	0

#### 2.4.1.5 Revenue expenditure through IRF (for the control period 2019-20 up to 2021-22).

Table 2. 6: Revenue expenditure through IRF

Name of Work (AMC)	FY: 2018-19	FY: 2019-20	FY: 2020-21	FY: 2021-22
S/F				1.72
H/W				-
Manpower				0.89



#### 2.4.1.6 Details of Gross Fixed Assets and Depreciation

Table 2. 7: Revenue expenditure through IRF of form no. F7

	Particulars	Previous Year FY 2017-18		Current Year 2018-19 (i.e.RE)	Ensuing years (Projection)		
		Approved in MYT/RE	Actual		FY 2019-20	FY 2020-21	FY 2021-22
<b>A</b>	<b>Gross Fixed Assets (as atbeginning of the year):</b>						
	1. GFA as per (Financial/Statutory Account)					12.05	12.05
	2. Expenditure allowed but not capitalized in Financial/Statutory Account	Nil	Nil	Nil	Nil	Nil	Nil
	3. Expenditure Capitalized in Financial/Statutory Account but not allowed.	Nil	Nil	Nil	Nil	Nil	Nil
	4. Admitted GFA(1+2-3)	0	0	0	0	12.05	12.05
<b>B</b>	<b>Addition/ adjustment to Gross Fixed Assets (During the year):</b>						
	5. Expenditure capitalized in Financial/ Statutory Account a) From PSDF grant b) From IRF				11.75 0.30	Nil	Nil
	6. Expenditure allowed but not capitalized in Financial/Statutory Account						
	7. Expenditure Capitalized in Financial/Statutory Account but not Allowed.						







**Table 2. 10: Consumer Price Inflation, Form No. 14 (b) (Rs. Crores)**

Particulars	PY 5	PY 4	PY3	PY 2	PY 1	CY	Ensuing years (Projection)		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Annual Average CPI Index</b>			126	130.9	136.5	142.42	148.60	155.04	161.77
<b>CPI Inflation</b>				3.89%	4.28%	4.34%	4.34%	4.34%	4.34%



**Table 2. 11: Employee Strength, Form No. 14 (c) (Nos)**

S. N	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>1</b>	<b>Number of employees at the beginning of FY</b>					
a)	Technical	24	35	45	55	65
b)	Non-Technical (Administration)	3	4	6	8	10
c)	Non-Technical(Revenue, Finance and Accounts)			3	5	7
	<b>Total</b>	<b>27</b>	<b>39</b>			
<b>2</b>	<b>No. of employees added during FY</b>					
a)	Technical	11	2			
b)	Non-Technical (Administration)	1	0			
c)	Non-Technical(Revenue, Finance and Accounts)					
	<b>Total</b>	<b>12</b>	<b>2</b>			
<b>3</b>	<b>Number of employees retiring/ leaving during the FY</b>					
a)	Technical	0				
b)	Non-Technical (Administration)	0				
c)	Non-Technical(Revenue, Finance and Accounts)	0				
	<b>Total</b>					
<b>4</b>	<b>Number of employees at the end of the FY (1+2-3)</b>					
a)	Technical	35	37	45	55	65
b)	Non-Technical (Administration)	4	4	6	8	10
c)	Non-Technical(Revenue, Finance and Accounts)	0		3	5	7
	<b>Total</b>	<b>39</b>	<b>41</b>	<b>54*</b>	<b>68*</b>	<b>77*</b>

\*As per Pradhan Committee Report, manpower strength is to maintained. HR department will appoint required manpower as per requirement.



**Table 2. 12: Employees Productivity Parameters, Form No: F14 (d)**

S.N	Particulars	2017-18		2018-19	2019-20	2020-21	2021-22
		Approved in MYT/RE	(Actuals)				
1	Number of employees		39	41	54	68	77
2	Number of Sub-stations (GSS)		137	154	156	161	165
3	Total capacity of Substations (MVA)		18900	21400	22171	25710	27390
4	Transmission line length in ckt/km		14137.764	16023.54	16999.54	17645.54	17645.54
5	Energy Received at STUCTU interface (Units)		26760458352				
6	Employees per MU of energy handled (5/1)		686.17				
7	Employees cost		3.39	3.53	3.67	3.82	4.24
8	Employees cost in paise / kWh (7/5)		0.13				

## 2.5.2 Administration & General Expenses

Administration and General expenses mainly comprise costs towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

For Projecting A&G expenses the Petitioner has adopted the same approach as adopted by the Commission in its Tariff Order for FY 2018-19 dated 7 March, 2018. For projecting A&G expenses for FY 2019-20 up to FY 2021-22 (Oct., 2018 to March 2019 and FY 2019-20 to FY 2021-22, the Petitioner has considered an increase of 3.99% per annum (based on CPI and WPI Index) over true-up for FY 2017-18 and





actual expenses for FY 2018-19 (April, 2018 to September, 2018) because of the aforementioned reasons. Details of actual A&G expenses true-up for FY 2017-18 and first six month of FY 2018-19 (April, 2018 to September, 2018) are shown in the Table below:

**Table 2. 13: Administration and General Expenses, Form No: F16 (Rs. Crores)**

Particulars	Previous Year FY 2017-18		Current Year 2018-19 (i.e. RE)	Ensuing years (Projection)		
	Approved in MYT/RE	Actual		FY 2019-20	FY 2020-21	FY 2021-22
Rent, rates & taxes		-	-	-	-	-
Insurance		-	-	-	-	-
Telephone, postage		0.02	0.02	0.02	0.02	0.02
Consultancy fees		-	-	-	-	-
Technical fees		-	-	-	-	-
Other professional charges		-	-	-	-	-
Conveyance& travel		0.22	0.23	0.24	0.25	0.26
Electricity &Water charges		0.23	0.24	0.25	0.26	0.27
Freight		-	-	-	-	-
Other material related		-	-	-	-	-
Penalty/Fine Paid (if any)		-	-	-	-	-
Any other expenses (please		0.04	0.04	0.04	0.04	0.04
Total expenses		-	-	-	-	-
Less Capitalised		-	-	-	-	-
Net expenses		-	-	-	-	-
Total expenses charged to	0.44	0.51	0.53	0.55	0.57	0.59

### 2.5.3 Repairs & Maintenance Expenses

From April 2017 to September 2017, there is no booking under R&M expenses but booking in accounts will be done in next 6 months. Therefore, for FY 2017-18 same R&M expenses as approved in the Tariff Order dated 9 March, 2017 has been considered.

In line with the philosophy followed for projecting employee and A&G expenses, R&M expenses for FY 2018-19 has been projected after considering an increase of 3.99%(based on CPI and WPI Index) per annum over expenses for FY 2017-18.



**Table 2. 14: R & M expenses, Form No: F15 (Rs. Crores)**

Particulars		Previous Year FY 2017-18		Current Year (i. e. RE)	Ensuing years (Projection)		
		*Normative /Approved in MYT/RE	Actual		FY 2018-19	FY 2019-20	FY 2020- 21
1	Average Gross Fixed				6.02	12.05	12.05
2	Percentage point as						
3	Repair & Maintenance	0.44	0.59	0.61	0.63	0.66	3.31

#### 2.5.4 Summary of O&M Expenses

The summary of the O&M expenses is tabulated below for reference:

**Table 2. 15: Operations & Maintenance Cost, Form No: F13 (Rs. Crores)**

Sl. No	Particulars	Previous Year FY 2017-18		Current Year 2018-19 (i.e.RE)	Ensuing years (Projection)		
		Approved in MYT/RE	Actual		FY 2019-20	FY 2020- 21	FY 2021- 22
1	Repair& Maintenance Expenses	0.44	0.59	0.61	0.63	0.66	3.31
2	Employee Expenses	3.12	3.39	3.53	3.67	3.82	4.24
2	Administrative and General Expenses	0.44	0.51	0.53	0.55	0.57	0.59
	Less:						
4	Expenses Capitalized			0	0	0	0
	<b>Net O&amp;M Expenses</b>	<b>4.00</b>	<b>4.49</b>	<b>4.67</b>	<b>4.85</b>	<b>5.05</b>	<b>8.14</b>

#### 2.6 Interest on Working Capital

The Petitioner has arrived at the working capital requirement according to applicable norms for transmission function provided in the BERC (Terms and Conditions of Tariff) Regulations, 2018



The proposed interest on working capital for FY 2017-18, FY 2018-19 and three ensuing years are computed based on the above norm and is given in the following table.

**Table 2. 16: Working Capital Interest Form No: F19 (Rs Crores)**

SL. No.	Particulars	Previous Year FY 2017-18		Current Year FY 2018-19 (i.e.RE)	Ensuing years (Projection)		
		Approved in MYT/RE	Actual		FY 2019-20	FY 2020-21	FY 2021-22
1	Receivables equivalent to two (2) month of transmission charges calculated on target availability level	0.69	0.90	0.78	0.81	0.84	0.92
2	O&M Expenses of one month	0.33	0.37	0.39	0.40	0.42	0.68
3	Maintenance spares @ 40% of R&M expenses for one month	0.01	0.02	0.02	0.02	0.02	0.11
4	Less: (i) Depreciation, ROE, and contribution to contingency Reserve equivalent to two months. (ii) Security deposit if any, held during the year (iii) two months equivalent of grant received from the State Govt.	-	-	-	-	-	-
	Total Working Capital	1.03	1.29	1.19	1.23	1.28	1.71
	Interest Rate	12.80%	12.45%	12.50%	10.50%	10.50%	10.50%
	Interest on Working Capital	0.13	0.16	0.15	0.13	0.13	0.18

The rate of interest on working capital has been considered as 10.50% which has been calculated from SBI MCLR of 9.00 % as on 1<sup>st</sup> Oct 2018 and 150 bps as per the regulation mentioned above. The SBI MCLR has been considered from the link provided as follows: <https://www.sbi.co.in/portal/web/interest-rates/mclr-historical-data>

## 2.6 Aggregate Revenue Requirement

The revised ARR for FY 2017-18 and projected ARR for FY 2018-19 is summarised in the Table below:



**Table 2. 17: Annual Revenue Requirement Form No F1 (Rs Crores)**

Sl No.	Particulars	2017-18		2018-19	Ensuring Years (Projections)		
		Approved in MYT/RE	Actual		2019-20	2020-21	2021-22
<b>A.</b>	<b>Income from Transmission Function</b>						
<b>1</b>	<b>Receipts</b>						
<b>A</b>	Transmission/Wheeling Charges at current tariff rates	4.13	5.42	4.67	4.86	5.05	5.53
<b>B</b>	Subsidy from Govt. (If any)						
	<b>Total Receipts ( A)</b>	4.13	5.42	4.67	4.86	5.05	5.53
<b>B</b>	<b>Expenditure</b>						
<b>1</b>	<b>O&amp;M Expenses</b>						
<b>I</b>	Employee Expenses	3.12	3.39	3.53	3.67	3.82	4.24
<b>ii</b>	R&M Expense	0.44	0.59	0.61	0.63	0.66	3.31
<b>iii</b>	A&G Expense	0.44	0.51	0.53	0.55	0.57	0.59
<b>iv.</b>	Share of Holding Company Expenses						
	Total O&M expenses (i+ii+iii+iv)	4.00	4.49	4.67	4.85	5.05	8.14
	Return on Equity						
	Depreciation				0.00	0.01	0.01
<b>4</b>	Interest and finance charges on Loan Capital						
	Less: IDC, if any						
<b>5</b>	Interest on Working Capital	0.13	0.16	0.15	0.13	0.13	0.18
<b>6</b>	Contribution towards Contingency Reserve						
<b>7</b>	Bad Debts						
	<b>Total Expenditure (B)</b>	4.13	4.65	4.82	4.98	5.19	8.33
<b>C</b>	<b>Other Deductions</b>						
<b>1</b>	Income from other Business		0.02	0.09	0.11	0.13	0.14
<b>2</b>	Non-tariff income						
<b>3</b>	Revenue from Short Term transmission charges						
	<b>Total Other Deductions (C)</b>	0	0.02	0.09	0.11	0.13	0.14
<b>D</b>	<b>Net ARR for Transmission Function( B-C)</b>	4.13	4.63	4.73	4.87	5.06	8.19



Sl No.	Particulars	2017-18		2018-19	Ensuring Years (Projections)		
		Approved in MYT/RE	Actual		2019-20	2020-21	2021-22
E	Shortfall/Excess before tariff revision impact (A-D)	0	0.79	-0.06	-0.01	-0.01	-2.66
F	Tariff Revision Impact		1.29				
G	Shortfall/Excess after tariff revision impact (E-F)	0	-0.50	-0.06	-0.01	-0.01	-2.66

The Petitioner requests the Hon'ble Commission to approve revised ARR for FY 2017-18, FY 2018-19 and the projected ARR for FY 2019-20, FY 2020-21 and FY 2021-22 as given in the above Table.

ARR for the FY 2017-18 fall sorts of Rs. 0.50 Crs from the total income of SLDC. Hence, it is requested before commission to approve the deficit of Rs. 0.50 Crs and allow SLDC to recover this deficit from the Distribution Licensees in their power sharing ratio.

The Commission adopted Methodology for recovery of SLDC ARR in Tariff Order for FY 2018-19 dated 7 March, 2018 is reproduced below:

*“The Commission has approved the ARR of Rs.4.28 Crore for SLDC business for FY 2018-19. SLDC operating charges have to be collected from all the users based on their contracted capacity (MW). Distribution companies being the last mile company in value chain of power sector, ultimately it is the distribution companies which has to pay such ARR of SLDC. Hence to simplify the process of collecting the SLDC charges, the Commission directs the SLDC/BSPTCL to bill these charges on monthly basis to the distribution companies i.e. NBPDC and SBPDCL in their power sharing ratio.”*

*Also, petition requested that fix the SLDC operating charges in Rs./MW/Month which have to be collected from all the users based on their contracted capacity (MW) in case Long Term open Access or others.*

Revised ARR for the FY 2018-19 is turn out to be Rs 4.79 Crs and therefore expecting an income deficit of Rs 0.06 Crs. In view of this, Petitioner proposes to recover the revised ARR of Rs. 4.79 Crs for FY 2018-19 including income deficit of Rs 0.06 Crs. on monthly basis from the distribution companies i.e. NBPDC and SBPDCL in their power sharing ratio based on the same methodology reproduced above.



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Petitioner proposes the ARR of Rs **4.88** Crs for FY 2019-20 and request before commission to approve the Proposed ARR for MYT period FY 2019-20, FY 2020-21 and FY 2021-22 as shown in the above table for the ARR.



### 3 Compliance of Directives

#### 3.1 Directive 1: Autonomy of SLDC

*Section 31 of the Electricity Act, 2003 mandates constitution of State Load Despatch Centre as a separate entity. However, till such separate entity is notified, the State Transmission utility should operate the SLDC.*

*Keeping in view the various functions envisaged for the SLDC under Section 32 of the Act, and also having regard to increasing electricity business in the State, as well as in the interest of successful implementation of various electricity reform measures, the Commission has been emphasizing the need to setup an independent SLDC entity in the State. However, till such time comes, the SLDC be strengthened in order to enable it to discharge its statutory functions effectively.*

*The Commission also directs BSPTCL to segregate the assets and liabilities from BSPTCL and direct SLDC to maintain separate accounts of the revenue and expenditure relating to SLDC business.*

#### **Compliance:**

Separate ARR for SLDC is being filed from FY 2017-18 and onwards and separate accounts for the revenue of SLDC is also being maintained. Presently, separate Bank Account relating to SLDC bearing no. 8531101011788 is being maintained for Revenue expenditure relating to it.

Since, as per Pradhan Committee Report, market operation is part of ring fencing of SLDC and for this purpose, 05 nos. bank accounts have been opened as:-

1. SLDC – Deviation charges account 8531101014382
2. SLDC – Reactive energy charges account 8531101014379
3. SLDC – Congestion account 8531101014380
4. SLDC – Renewable regulatory fund account 8531101014381
5. SLDC –Power system development fund and other charges account 8531101014378

However, to make it a totally independent entity, notification from the state government has to be issued. BSPTCL is in process to make SLDC, a separate entity and soon the matter will be put up before BSP(H)CL Board for approval and to take up the matter with the State Government.



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### **3.2 Directive 2: Users of SLDC**

*SLDC shall address all of its users to apply for grid connectivity and shall maintain list of such customers with details such as MW contracted, etc. and shall furnish the list of its users to the Commission.*

#### **Compliance:**

The Petitioner is strengthening the infrastructure for Grid connectivity so that real time communications can be done. Once the infrastructure gets ready which is expected to be complete by June, 2019, the Petitioner will provide the grid connectivity to the users and will submit the list of its users to the Commission by August, 2019.

### **3.3 Directive 3: Implementation of Scheduling, Accounting, Metering And Settlement of Transactions in Electricity (SAMAST).**

*The SLDC shall file status report on implementation of SAMAST by 31st May 2017.*

**Compliance:** The Petitioner has submitted the updated status report on implementation of SAMAST vide letter dated 31.10.2018 which is expected to be completed by February, 2020.





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## 4 Prayers

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The Petitioner prays to the Hon'ble Commission as under:

- i. To admit the Petition
- ii. Examine the proposal submitted by the Petitioner in the enclosed petition for a favourable dispensation
- iii. To Approve the Trued-up ARR of Rs 4.63 Crores for FY 2017-18
- iv. To Approve APR of Rs. 4.79 Crores for FY 2018-19
- v. To approve the SLDC ARR of Rs. 4.88 Crores for FY 2019-20 and recovery of same from the two Distribution Companies in the ratio of power sharing ratio;
- vi. Condone any inadvertent omissions, errors, short comings and permit SLDC to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
- vii. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Dated: 28 November, 2018

(G K Choubey)  
Chief Engineer (System Operation)