



BEFORE

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

Petition

For

Truing-up for FY 2020-21,

Annual Performance Review (APR) for FY 2021-22

And

**Business Plan and Aggregate Revenue Requirement (ARR) for the Control Period
from FY 2022-23 to FY 2024-25 and SLDC operating charges for FY 2022-23**

For

State Load Despatch Centre (SLDC)

Under

Bihar State Power Transmission Company Limited

Patna



Chief Engineer (System Operations)

4th Floor, Vidyut Bhawan-1

Jawaharlal Nehru Marg

Patna - 800 021

01 December 2021



**Before the Bihar Electricity Regulatory Commission
Patna, Bihar**

Filing No.:

Case No.:

IN THE MATTER OF **Filing of Petition for State Load Despatch Centre (SLDC) under Bihar State Power Transmission Company Limited for approval of Truing-up of FY 2020-21, Annual Performance Review (APR) of FY 2021-22 and Business Plan and Aggregate Revenue Requirement (ARR) for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Operating Charges for FY 2022-23 under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021 along with the other guidelines and directions issued by the BERC from time to time and under Sections 31, 32, 33, 37, 45, 46, 47, 61, 62, 64 and 86 of the Electricity Act, 2003 read with the relevant guidelines.**

AND

IN THE MATTER OF **State Load Despatch Centre (SLDC) under Bihar State Power Transmission Company Limited (herein after referred to as 'SLDC' or 'Petitioner'), which shall mean for the purpose of this Petition, the SLDC in the State of Bihar, having its registered office at Vidyut Bhawan -I, Jawaharlal Nehru Marg, Patna - 800 021**

THE APPLICANT

The Petitioner respectfully submits as under:

1. Pursuant to the enactment of the Electricity Act, 2003, State Load Despatch Centre (hereinafter referred to as SLDC) is filing this Petition for approval of Truing-up of FY 2020-21, Annual Performance Review (APR) of FY 2021-22,



and Business Plan and Aggregate Revenue Requirement (ARR) for the Control Period from FY 2022-23 to FY 2024-25, and SLDC operating charges for FY 2022-23 as per procedures outlined in the governing Regulations thereof.

2. The Hon'ble Commission in the MYT Order dated 21st March 2016, had directed SLDC to file separate Petition for Determination of Aggregate Revenue Requirement.
3. In compliance of the BERC Regulations and Directives, Bihar State Power Transmission Company Limited (BSPTCL) for the first time filed separate Petition for approval of ARR of FY 2017-18 for SLDC function on 30th November 2016 and the Hon'ble Commission issued Tariff Order on the same on 9th March 2017.
4. BSPTCL filed Petition for approval of ARR of FY 2018-19 for SLDC function on 15th November 2017 and the Hon'ble Commission issued Tariff Order on the same on 7th March 2018.
5. BSPTCL filed Multi-Year Tariff (MYT) Petition for approval of ARR for the Control Period from FY 2019-20 to 2021-22 for SLDC function on 28th November 2018 and the Hon'ble Commission issued Tariff Order on the same on 15th February 2019.
6. BSPTCL filed Petition for approval of ARR of FY 2020-21 for SLDC function on 15th November 2019 and the Hon'ble Commission issued Tariff Order on the same on 20th March 2020.
7. BSPTCL filed Petition for approval of ARR of FY 2021-22 for SLDC function on 24th December 2020 and the Hon'ble Commission issued Tariff Order on the same on 19th March 2021.
8. The present Petition is being filed before the Hon'ble Commission for approval of Truing-up of FY 2020-21, APR of FY 2021-22 and Business Plan and ARR for the Control Period from FY 2022-23 to FY 2024-25, and SLDC operating charges for FY 2022-23.



9. This present Petition is filed on independent basis and has been prepared in accordance with the provisions of BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2018 and BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021 along with the other guidelines and directions issued by the Hon'ble Commission from time to time and under Sections 31, 32, 33, 37, 45, 46, 47, 61, 62, 64 and 86 of the Electricity Act 2003 read with the relevant guidelines as amended from time to time by the Hon'ble Commission. The Petitioner along with this Petition is submitting the regulatory formats with data and information to the extent applicable and would make available any further information/additional data required by the Hon'ble Commission during the course of proceedings.
10. The clause 11.3 of the MYT Regulations 2021 specifies that an application for determination of tariff and charges shall be made by 15th November every year for Truing up of expenses of previous years, for APR of the ARR for the current year and determination of ARR and SLDC charges for the ensuing years of the Control Period. SLDC would like to submit that the Ministry of Corporate Affairs as well as Income Tax Department have extended the time for finalization of Annual Accounts in view of country-wide impact of COVID-19 pandemic. Annual Accounts for FY 2020-21 have been prepared on 30th October 2021 and audited accounts will be available only in December 2021. Also, new MYT Regulations, 2021 have been notified by the Hon'ble Commission very recently. These have led to delay in meeting the timeline for filing of present Tariff Petition. SLDC has sought additional time for filing the Petition from the Hon'ble Commission, vide letter No: 479 dated 15th November, 2021. The Hon'ble Commission considered the request of SLDC vide Letter No.-BERC Tariff (Corr) 05/2021 874 Patna, dated 17th November, 2021

Prayers to the Hon'ble Commission:

11. The Petitioner respectfully requests the Hon'ble Commission to:
- Admit this Petition;
 - Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;



-
- c. Pass suitable Orders with respect to the True-up of ARR for FY 2020-21, APR for FY 2021-22 and Business Plan and ARR for the Control Period from FY 2022-23 to FY 2024-25 and SLDC operating charges for FY 2022-23 as submitted in this Petition;
 - d. Permit to propose suitable changes to the respective True-up/APR/Business Plan/ARRs, prior to the final approval by the Hon'ble Commission;
 - e. Permit to revise any inadvertent omissions/errors/shortcomings, etc., and accordingly add/change/modify/alter this filing and make further submissions as may be required at a future date;
 - f. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;
 - g. To condone the delay in filing of present Tariff Petition for FY 2022-23 due to finalisation of annual accounts for FY 2020-21.

Place: Patna

A. K. Chaudhary

Dated: 01 December 2021

Chief Engineer (System Operations)



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LIST OF ABBREVIATIONS

A&G	Administrative & General
AMC	Annual Maintenance Charge
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
BERC	Bihar Electricity Regulatory Commission
BSEB	Bihar State Electricity Board
BSPTCL	Bihar State Power Transmission Company Limited
CEA	Central Electricity Authority
CPI	Consumer Price Index
EA	Electricity Act
EMS	Energy Management System
ERLDC	Eastern Regional Load Despatch Centre
ERP	Enterprise Resource Planning
ERPC	Eastern Region Power Committee
GFA	Gross Fixed Asset
IoWC	Interest on Working Capital
IRF	Internal Resource Funding
MAT	Minimum Alternate Tax
MCLR	Marginal Cost of Funds-based Lending Rate
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NBPDCL	North Bihar Power Distribution Company Limited
O&M	Operation & Maintenance
PCC	Physical Completion Certificate
PGCIL	Power Grid Corporation of India
PoC	Point of Connection
POSOCO	Power System Operation Corporation Ltd.
R&M	Repair & Maintenance
RoE	Return on Equity
SAMAST	Scheduling, Accounting, Metering and Settlement of Transactions in Electricity
SBI	State Bank of India
SBPDCL	South Bihar Power Distribution Company Limited
SLDC	State Load Despatch Centre
STOA	Short Term Open Access
TO	Tariff Order
TOC	Taking Over Certificate



UNMS	Unified Network Management System
WPI	Wholesale Price Index



1 Introduction

1.1 Background

The erstwhile Bihar State Electricity Board (“Board” or “BSEB”) originally constituted on 1st April 1958 under Section 5 of the Electricity (Supply) Act, 1948, was engaged in the management of electricity generation, transmission, distribution and related activities in the State of Bihar.

Under the ‘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 No. 17 dated 30th October 2012.

1.2 Constitution of State Load Despatch Centre

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

“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.”

1.3 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.”

1.4 SLDC Charges

The Petitioner submits that the assets of SLDC were not owned by BSPTCL. The same were owned by Power Grid Corporation of India (PGCIL), which in-turn recovers cost from the Distribution Companies namely, South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC) and other users of transmission system. The supporting documents, i.e., the Minutes of the Meeting of Eastern Region Power Committee (ERPC) meeting where it was decided that the SLDC assets will be created by PGCIL have already been submitted to the Hon'ble Commission with the Tariff Petition for FY 2017-18 dated 30th November 2016.

SLDC has implemented SAMAST scheme during the Control Period from FY 2019-20 to FY 2021-22, which is approved by the Hon'ble Commission. Also, SLDC has planned to implement few other projects in the next Control Period, i.e., in FY 2022-23 to FY 2024-25. Therefore, now SLDC has its own assets on account of implementation of SAMAST scheme. The details of Capital expenditure, Capitalisation and assets added have been discussed in detail in the subsequent Chapter of this Petition.



1.5 Approach to the Present Filing

Regulations 4.1 and 4.2 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021 (BERC MYT Regulations, 2021) specifies the basis on which the Hon'ble Commission shall determine tariff for transmission and SLDC business for each year of the Control Period. The relevant extract of BERC MYT Regulations, 2021 is as follows.

"4.1 The Commission shall determine the tariff for Transmission business or charges of SLDC operations under a Multi-Year Tariff framework with effect from April 1st of each financial year subject to provisions under these Regulations.

4.2 The Multi Year Tariff frameworks shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Transmission Business and Fees and Charges of SLDC:

i. Control Period, before commencement of which a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariff in case of transmission licensee or Fees and Charges in case of SLDC, as the case may be, shall be submitted by the applicant and approved by the Commission;

Provided that the performance parameters whose trajectories have been specified in these Regulations shall form the basis of projection for the Aggregate Revenue Requirement for the entire Control Period:

ii. A detailed Business Plan based on the Operational Norms and trajectories of performance parameters specified in the MYT Regulations, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval subject to provisions under these Regulations;

iii. Based on the Business Plan, the applicant shall submit a petition with the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff and charges for each year of the Control Period, and the Commission shall approve the transmission tariff and Fees and Charges in case of SLDC for each year of the Control Period;

iv. The mechanism for pass-through of approved gains or losses on account of uncontrollable factors as specified under Regulation 9 of these Regulations;

v. The mechanism for sharing of approved gains or losses arising out of controllable factors as specified under Regulation 10 of these Regulations;



The application to be filed before the Hon'ble Commission for determination of tariff for FY 2022-23 is as per Regulation 11.3 of BERC MYT Regulations, 2021. The relevant extracts of Regulation 11.3 of BERC MYT Regulations, 2021 are as follows:

"11.3 An application (along with soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period. The application should contain the data relating to each item of the ARR supported with the information/data in the formats Form no- SI to Form no-P12 appended to these Regulations and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition....."

The Hon'ble Commission vide Tariff Order dated 19th March 2021 approved the Truing-up of FY 2019-20, Annual Performance Review (APR) of FY 2020-21 and ARR and SLDC Operating charges for FY 2021-22 as per the provisions of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018 (BERC MYT Regulations 2018).

Therefore, SLDC is filing the present Petition for Truing-up of FY 2020-21 based on annual accounts of FY 2020-21, APR for FY 2021-22 based on estimates for current year in accordance with the provisions of BERC MYT Regulations, 2018, and Business Plan and ARR for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Operating Charges for FY 2022-23 as per the provisions of BERC MYT Regulations, 2021.

1.6 Structure of the Petition

The Petition consists of the following Chapters as outlined below:

Chapter 1: Introduction (Present Chapter)

Chapter 2: Truing up for FY 2020-21

Chapter 3: Annual Performance Review of FY 2021-22

Chapter 4: Business Plan for the Control Period from FY 2022-23 to FY 2024-25

Chapter 5: ARR for the Control Period from FY 2022-23 to FY 2024-25

Chapter 6: SLDC Operating Charges for FY 2022-23



Chapter 7: Prayers

Chapter 8: Compliance to Directives



2 Truing up for FY 2020-21

2.1 Introduction

SLDC has filed Truing-up Petition for FY 2020-21 based on the allocation statement for FY 2020-21. SLDC has considered the values approved in ARR of FY 2020-21 vide Tariff Order dated 20th March 2020 vis-à-vis values as per allocation statement of FY 2020-21. Though the Hon'ble Commission had approved the revised estimates of ARR and Revenue Gap/(Surplus) for FY 2020-21 in the APR of FY 2020-21 undertaken in the latest Tariff Order dated 19th March, 2021, the Hon'ble Commission had not passed through the computed Revenue Gap/(Surplus) for FY 2020-21 in the ARR of FY 2021-22. Hence, the true-up for FY 2020-21 has been claimed with respect to the values approved in the Tariff Order for FY 2020-21 dated 20th March 2020.

The Truing-up of FY 2020-21 is carried out in accordance with relevant provisions of BERC MYT Regulations, 2018, as reproduced below:

"7 Annual Review of Performance and True-up

7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations....

13 True-Up and Annual Performance Review

... (d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.

(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit..."

Accordingly, SLDC has proposed Truing-up for FY 2020-21 based on the allocation statement of FY 2020-21. A copy of the annual accounts of BSPTCL and allocation



statement of SLDC for FY 2020-21 are attached as **Annexure I** and **Annexure II**, respectively. It may be noted that the expenses considered under SLDC have been deducted from the expenses claimed in Tariff Petition of BSPTCL, in the True-up for FY 2020-21.

2.2 Capital Expenditure and Capitalisation

The Hon'ble Commission vide Tariff Order dated 15th February 2019 approved Scheduling, Accounting, Metering and Settlement of Transactions in Electricity (SAMAST) project cost as Rs. 11.75 Crore. Further, the Hon'ble Commission vide Tariff Order dated 20th March 2020 approved SAMAST project cost as Rs. 10.59 Crore, out of which capital expenditure of Rs. 3.20 Crore was approved for FY 2019-20 and Rs. 7.39 Crore was approved for FY 2020-21. Against this capital expenditure, the Hon'ble Commission approved capitalisation of entire amount of Rs. 10.59 Crore in FY 2020-21 SLDC incurred capital expenditure of Rs. 2.77 Crore and Rs. 5.45 Crore during FY 2019-20 and FY 2020-21, respectively. SLDC capitalised Rs. 8.22 Crore in FY 2020-21 against approved capitalisation of Rs. 10.59 Crore. The capital expenditure and capitalisation approved by the Hon'ble Commission and claimed by SLDC is shown in the Table below:

Table 2-1: Capital Expenditure and Capitalisation for FY 2020-21 (Rs. Crore)

Sl. No.	Parameter	FY 2020-21	
		Approved in TO dated 20.03.2020	Claimed in True-up of FY 2020-21
1	Capital Expenditure	7.39	5.45
2	Capitalisation	10.59	8.22

The Hon'ble Commission is requested to approve capital expenditure and capitalisation in Truing-up of FY 2020-21 as shown in the above Table.

2.3 Grossed Fixed Assets

SLDC submits that there is no opening GFA for FY 2020-21. SLDC has considered the GFA addition of Rs. 8.22 Crore during FY 2020-21 based on the capitalisation of project as discussed above. The following table shows the GFA claimed for FY 2020-21:



Table 2-2: GFA claimed for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21
1	Opening GFA	-	-
2	Addition during the year	10.59	8.22
3	Closing GFA	10.59	8.22

The Hon'ble Commission is requested to approve addition to GFA and the Closing GFA in True up of FY 2020-21 as shown in the above Table.

2.4 Depreciation

As regards Depreciation, Regulation 23 of BERC MYT Regulations, 2018, specifies that:

"23. Depreciation

(i) *Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year.*

.....

(iii) *Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations.*

....."

SLDC submits that it has booked depreciation of Rs. 0.24 Crore in annual accounts for FY 2020-21 considering the depreciation rate of 15% applicable for Hardware on the amount of assets capitalised in FY 2020-21. Therefore, SLDC has claimed depreciation for FY 2020-21 based on annual accounts as shown in the Table below:

Table 2-3: Depreciation for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21
1	Opening GFA	-	-
2	Addition during the year	10.59	8.22
3	Closing GFA	10.59	8.22
4	Average GFA	5.30	4.11
5	Depreciation	1.46	0.24

The Hon'ble Commission is requested to approve Depreciation in True up of FY 2020-21 as shown in the above Table.

2.5 Operation and Maintenance expenses

2.5.1 Employee Expenses

The Petitioner submits that employee expenses comprise costs towards salaries, dearness allowances, medical expense reimbursement, other allowances, staff welfare expenses and terminal benefits.

SLDC has claimed actual employee expenses as per annual accounts for FY 2020-21, as shown in the Table below:

Table 2-4: Employee expenses for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	Employee Cost	4.23	6.21

The Hon'ble Commission is requested to approve the actual Employee Cost in Truing-up of FY 2020-21 as shown in the above Table.

2.5.2 Repairs and Maintenance Expenses (R&M)

The Petitioner submits that as per annual accounts of FY 2020-21, SLDC has incurred R&M expenses of Rs. 0.01 Crore during FY 2020-21 and same has been claimed in the True up of FY 2020-21. The following Table shows the R&M expenses considered in Truing-up of FY 2020-21:

Table 2-5: Repairs and Maintenance expenses for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	R&M expenses	0.08	0.01

The Hon'ble Commission is requested to approve actual R&M Expenses in True up of FY 2020-21 as shown in the above Table.



2.5.3 Administration and General Expenses (A&G)

A&G Expenses comprise expenses towards Conveyance and Traveling, Electricity Charges, Miscellaneous Expenses, Telephone Expenses, Fees and Subscriptions, Legal Charges, and Printing and Stationery. As per annual accounts of FY 2020-21, SLDC has incurred A&G expenses of Rs. 0.26 Crore during FY 2020-21. The following Table shows the A&G Expenses considered in Truing-up of FY 2020-21:

Table 2-6: Administration and General Expenses for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	A&G Expenses	0.62	0.26

The Hon'ble Commission is requested to approve actual A&G Expenses in Truing-up of FY 2020-21 as shown in the above Table.

The following table shows the total O&M expenses claimed by SLDC based on annual accounts of FY 2020-21:

Table 2-7: O&M Expenses for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	Employee expenses	4.23	6.21
2	Repairs and Maintenance Expenses	0.08	0.01
3	Administration and General Expenses	0.62	0.26
4	Total Operation and Maintenance Expenses	4.93	6.49

The Hon'ble Commission is requested to approve actual Operation and Maintenance Expenses as per annual accounts in the Truing-up of FY 2020-21 as shown in the above Table.

2.6 Interest and Finance Charges

SLDC has funded the entire capitalisation of Rs. 8.22 Crore relating to SAMAST project through Internal Resource Funding (IRF). Regulation 24 (b) of BERC MYT Regulations, 2018, specifies as under:

True-up Petition for FY 2020-21, APR for FY 2020-21 and Business Plan, ARR for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Operating Charges for FY 2022-23



“24. Interest and finance charges on loan capital

... ..

(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan.

.....”

Accordingly, SLDC has considered normative debt equity ratio of 70:30 and considered normative loan of Rs. 5.75 Crore as loan addition during FY 2020-21.

Further, Regulations 24 (g) of BERC MYT Regulations, 2018 provides for consideration of State Bank one-year Marginal Cost of Funds-based Lending Rate (‘MCLR’) rate in case of normative loans outstanding but no actual loans. The relevant extract is as follows:

“24. Interest and finance charges on loan capital

... ..

(g) The rate of interest shall be the weighted average rate of interest.....

.....Provided further that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate (‘MCLR’) shall be applicable.

.....”

The rate of interest has been considered as per the above Regulation, as the one-year MCLR rate of 7.05%. The calculation of interest on normative loan is summarised below:

Table 2-8: Interest and Finance Charges for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21
1	Opening Loan	-	-
2	Addition during the year	7.41	5.75
3	Repayment (Equal to Depreciation)	1.46	0.24
4	Closing Loan	5.95	5.51



Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21
5	Average Loan	2.97	2.76
6	Interest Rate (%)	8.00%	7.05%
7	Interest on Loan	0.24	0.19
8	Other Finance Charges	-	0.01
9	Interest and Finance Charges	0.24	0.20

The Hon'ble Commission is requested to approve Interest on Normative loan in True up of FY 2020-21 as shown in the above Table.

2.7 Return on Equity

SLDC has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2018, as reproduced below:

"22. Return on Equity

- (a) *Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower...*
- (c) *Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be."*

....27 (2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where "t" is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess..."



SLDC has not considered any opening balance of equity for FY 2020-21 since there has been no equity claimed in True up of FY 2019-20. The addition of equity is in line with 30% of amount of capitalisation on normative basis as discussed above. The rate of RoE is considered as 15.50% in line with the Regulation 22 of BERC MYT Regulations, 2018. SLDC has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2020-21 as per annual accounts. The calculation of RoE is summarised in the table below:

Table 2-9: Return on Equity for FY 2020-21 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Opening Equity	-	-
2	Addition during the year	3.18	2.47
3	Closing Equity	3.18	2.47
4	Average Equity	1.59	1.23
5	Rate of Return on Equity	15.50%	15.50%
6	MAT Rate%	-	17.47%
7	Effective Rate of Return on Equity	-	18.78%
8	Return on Equity	0.30	0.23

The Hon'ble Commission is requested to approve RoE in True up of FY 2020-21 as shown in the above Table.

2.8 Interest on working capital

The Petitioner has arrived at the normative working capital requirement in accordance with Regulation 26 of BERC MYT Regulation, 2018, as follows:

"26 Interest on working Capital

(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

(i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.

(ii) O&M Expenses of one (01) month.

(iii) Maintenance spares @ 15% of O&M expenses for one month.

.....

(b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.

.....”

In accordance with the above provisions, SLDC has computed the interest on working capital for FY 2020-21. Regulation 26 (b) specifies that for the purpose of True-up, the rate of interest shall be State Bank of India (SBI) weighted average one-year MCLR for concerned financial year. SLDC has computed the weighted average of SBI 1-year MCLR for FY 2020-21 as available on SBI website (<https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data?inheritRedirect=true>). The following Table shows the weighted average interest rate for FY 2020-21:

Table 2-10: Average One-year MCLR rate of Interest

Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
7.40%	7.25%	7.00%	7.00%	7.00%	7.00%
Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Weighted Average One-year MCLR Interest rate					7.05%

SLDC has accordingly added 150 basis points as provided in the Regulation to weighted average interest rate computed above. SLDC has therefore considered interest rate of 8.55% (7.05%+1.50%) for computation of interest on working capital for FY 2020-21. The maintenance spares are considered at 15% of 1-month O&M expenses, in accordance with the Regulations.



Table 2-11: Interest on Working Capital for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	Receivables equivalent to two (2) months of SLDC charges	1.16	1.26
2	O&M Expenses of one month	0.41	0.54
3	Maintenance spares @ 15% of O&M expenses for one month	0.06	0.08
4	Less: Depreciation and RoE for 2 months	0.29	0.08
5	Total Working Capital	1.34	1.80
6	Interest on working Capital (%)	9.50%	8.55%
7	Interest on Working Capital	0.13	0.15

The Hon'ble Commission is requested to approve Interest on Working Capital in Truing-up of FY 2020-21 as shown in the above Table.

2.9 Non-Tariff Income

The SLDC has submitted that it has earned Non-Tariff Income on account of STOA Charges, miscellaneous receipts, and application fees during FY 2020-21. The following Table shows the Non-Tariff Income considered in Truing-up of FY 2020-21:

Table 2-12: Non-Tariff Income for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	STOA Charges		0.16
2	Miscellaneous Receipts		0.23
3	Application fee received		0.023
4	Total Non-Tariff Income	0.12	0.41

The Hon'ble Commission is requested to approve Non-Tariff Income in Truing-up of FY 2020-21 as shown in above Table.

2.10 Sharing of Gains/(Losses)

Regulation 10 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018 specifies the mechanism for sharing of gains and losses on account of controllable factors. The relevant Regulations are as follows:

“10.1 The approved aggregate gain or loss to the Licensee or SLDC, as the case may be, on account of controllable factors shall be dealt with separately for aggregate gain and aggregate loss in the following manner:

Aggregate gain: (i) Two-third of the amount of such gain shall be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations;

(ii) The balance one-third of the amount of such gain shall be on account of Licensee or SLDC, as the case may be, and such amount shall be utilized at the discretion of Licensee or SLDC, as the case may be.

Aggregate Loss: (i) One-third of the amount of such loss shall normally be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations, provided the Commission is satisfied that such loss is not on account of deliberate action of the Licensee or SLDC, as the case may be;

(ii) The balance two-third of the amount of such loss shall be on account of Licensee or SLDC and shall be absorbed by the Licensee or SLDC, as the case may be.”

In view of the above, SLDC has dealt sharing of gains/(losses) towards each applicable ARR component as summarized in paras below:

Sharing of gains/(losses) on account of variation in O&M expenses

SLDC submits that no norms for O&M expenses have been defined for the Control Period of FY 2019-20 to FY2021-22. During the True up of FY 2019-20, the Hon'ble Commission vide Tariff Order dated 19th March, 2021 has ruled that due to absence of norms the Commission does not find any merit in sharing the gains/(losses) on account of O&M Expenses. Therefore, SLDC has not computed sharing of gains/(losses) on account of variation in O&M expenses for FY 2020-21.

Sharing of gains/(losses) on account of variation in Working Capital Requirement



SLDC submits that there is no actual working capital for FY 2020-21. Therefore, the actual working capital has been considered as Nil and the sharing of gains/ (loss) has been worked out accordingly. The normative Interest on working capital as claimed in Truing-up of FY 2020-21 in this Petition stands at Rs. 0.15 Crore. Considering the above, SLDC has claimed sharing of gains and losses on account of Interest on Working Capital for FY 2020-21 as shown in the Table below:

Table 2-13: Sharing of gains/(losses) for Working Capital for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Basis	Claimed in True-up
1	Normative Interest on Working Capital	A	0.15
2	Actual Interest on Working Capital	B	0.00
3	Interest on Working Capital gains/ (losses)	C=A-B	0.15
4	2/3 rd of gain to be passed through as an adjustment in Tariff	D=2/3*C	0.10

2.11 Revenue from SLDC Charges

Prior to FY 2020-21, the recovery of the SLDC charges was done only from the two Distribution Companies. Hence, till FY 2019-20, the income from Railways was considered under Non-Tariff Income. However, from FY 2020-21 onwards as per directions of the Hon'ble Commission, revenue recovery of the Annual SLDC charges is being done in the power sharing ratio from all the users of SLDC. As a result, the Discoms are billed comparatively less compared to prior scenario. The Annual SLDC Charges approved in Order dated 20th March 2020 is divided amongst all the users and all the users are billed according to the methodology provided by the Hon'ble Commission in the last Tariff Order. Thus, Income from Railways is removed from the calculation of Non-Tariff Income and is considered under Revenue from SLDC Charges. SLDC has realised revenue of Rs. 7.55 Crore from SLDC charges during FY 2020-21.

2.12 Aggregate Revenue Requirement for FY 2020-21

The Petitioner submits the Aggregate Revenue Requirement for FY 2020-21 as summarised below:



Table 2-14: Aggregate Revenue Requirement for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	O&M cost	4.93	6.49
a	Employee cost	4.23	6.21
b	R&M expenses	0.08	0.01
c	A&G expenses	0.62	0.26
2	Depreciation	1.46	0.24
3	Interest on loan capital	0.24	0.20
4	Return on Equity	0.30	0.23
5	Interest on Working capital	0.13	0.15
6	Less: Sharing of Gains and Losses		0.10
7	Less: Non-Tariff Income	0.12	0.41
8	Total ARR	6.94	6.80

The Hon'ble Commission is requested to approve ARR in Truing-up of FY 2020-21 as shown in the above Table.

2.13 Revenue Gap / (Surplus) for FY 2020-21

The Hon'ble Commission vide Tariff Order dated 20th March 2020 approved ARR for FY 2020-21 as Rs. 6.94 Crore and revenue gap for FY 2018-19 as Rs. 0.61, which was carried forward to FY 2020-21. Accordingly, the Hon'ble Commission approved Annual SLDC charges for FY 2020-21 as Rs. 7.55 Crore. During FY 2020-21, SLDC collected revenue of Rs. 7.55 Crore as approved by the Hon'ble Commission. SLDC has computed the Revenue Gap/ (Surplus) for FY 2020-21, based on the expenses detailed above and the Revenue earned from SLDC Charges, as summarised below:

Table 2-15: Revenue Gap/ (Surplus) for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
1	Aggregate Revenue Requirement for FY 2020-21	6.94	6.80
2	Add: True up revenue gap of FY 2018-19 with carrying cost	0.61	0.61
3	SLDC Charges requirement	7.55	7.41



Sl. No.	Particulars	FY 2020-21	
		Approved in Tariff Order dated 20.03.2020	Claimed in Truing-up of FY 2020-21
4	Less: SLDC charges received	7.55	7.55
5	Revenue Gap / (Surplus) for the year (3-4)	0.00	(0.14)

Hence, the Hon'ble Commission is requested to approve the Revenue Surplus after Trueing up of FY 2020-21 as shown in the above Table.



3 Annual Performance Review for 2021-22

3.1 Introduction

SLDC is filing the Annual Performance Review (APR) for FY 2021-22 as compared to the ARR approved for FY 2021-22 vide Tariff Order dated 19th March 2021. The APR is filed in accordance with relevant provisions of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018. Regulation 7 and Regulation 13 of BERC MYT Regulations, 2018 provides for APR of the current year. The relevant extracts are as follows:

“7. Annual Review of Performance and True-up

7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations.

.....”

“13. True-Up and Annual Performance Review

.....

(d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.

(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit..

.....”

Accordingly, SLDC has undertaken the APR for FY 2021-22 on the basis of revised estimates for FY 2021-22 and as per BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018, as discussed in the following sections.



3.2 Capital Expenditure and Capitalisation

SLDC has estimated Rs. 2.37 Crore as capital expenditure and capitalisation expected to be incurred during FY 2021-22. SLDC requests the Hon'ble Commission to approve capital expenditure and capitalisation of Rs. 2.37 Crore in APR of FY 2021-22.

Table 3-1: Capital Expenditure and Capitalization claimed in APR of FY 2021-22 (Rs. Crore)

Sl. No	Parameter	FY 2021-22	
		Approved in TO dated 19.03.2021	Claimed in APR
1	Capital Expenditure	2.12	2.37
2	Capitalisation	2.12	2.37

Hence, the Hon'ble Commission is requested to approve the Capital Expenditure and Capitalization in APR for FY 2021-22 as proposed in the above Table.

3.3 Gross Fixed Assets

SLDC has considered the opening balance of GFA for FY 2021-22 as the closing balance of FY 2020-21. As discussed in earlier paragraphs, the capitalisation estimated for FY 2021-22 is Rs. 2.37 Crore. Accordingly, the SLDC has arrived at the closing balance for FY 2021-22. The following table shows the schedule of Gross Fixed Asset projected for APR of FY 2021-22:

Table 3-2: GFA projected for FY 2021-22 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Opening GFA	8.47	8.22
2	Addition during the year	2.12	2.37
3	Closing GFA	10.59	10.59

The Hon'ble Commission is requested to approve Closing GFA in revised APR for FY 2021-22 as shown in the above Table.

3.4 Depreciation

SLDC has calculated Depreciation in accordance with Regulation 23 of BERC MYT Regulations, 2018, as reproduced below:

“23. Depreciation

(ii) *Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year.*

.....

(iv) *Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations.*

.....”

SLDC has considered the weighted average rate of Depreciation as 26.26% as considered by the Hon’ble Commission in the Tariff Order dated 19th March 2021. The following Table shows the Depreciation considered by SLDC for FY 2021-22:

Table 3-3: Depreciation for FY 2021-22 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Opening GFA	8.47	8.22
2	Addition during the year	2.12	2.37
3	Closing GFA	10.59	10.59
4	Average GFA	9.53	9.40
5	Rate of Depreciation	26.26%	26.26%
6	Depreciation	2.50	2.47

The Hon’ble Commission is requested to approve Depreciation in APR of FY 2021-22 as shown in the above Table.

3.5 Operation and Maintenance (O&M) Expenses

3.5.1 Employee Expenses

The Employee Expenses comprise costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity, etc.

Regulation 21.1 specifies that the employee cost shall be computed as per the approved norm escalated by Consumer Price Index (CPI) for immediately preceding three years, as follows:

“21.1 Employee Cost

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay Commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_b * CPI\ inflation) + Provision$$

Where:

EMP_n: Employee expense for the year n

EMP_b: Employee expense as per the norm

CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years.....”

In accordance with the above Regulation, the Petitioner has considered the CPI indices up to March 2021 and taken average of preceding three years of escalation in CPI for consideration of escalation of base year employee expenses. The following Table shows the escalation considered on base value for computation of employee expenses:

Table 3-4: CPI Inflation considered for FY 2021-22

Particulars	Actual				Estimate
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Annual Average CPI Index	284	300	323	339	
CPI Inflation		5.45%	7.53%	5.02%	6.00%

SLDC has therefore, considered inflation rate of 6.00% on base year employee expenses of FY 2020-21 for computation of employee expenses for FY 2021-22, as shown in the Table below:



Table 3-5: Employee Expenses for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Base year Employee expenses	5.37	6.21
2	Indexation %	5.35%	6.00%
3	Inflationary increase	0.29	0.37
4	Employee expenses	5.66	6.58

The Hon'ble Commission is requested to approve Employee expenses in APR of FY 2021-22 as shown in the above Table.

3.5.2 Repair and Maintenance (R&M) Expenses

Regulation 21.2 of BERC MYT Regulations, 2028 specifies provisions for computation of R&M expenses, the relevant extract of the Regulation is as follows:

21.2 Repairs and Maintenance (R&M) Expense Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:

$$R\&M_n = K_b * GFAn$$

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm.

The Hon'ble Commission has not approved the norms for the current Control Period. In the absence of norms, SLDC has calculated R&M expenses by considering percentage point and opening GFA. SLDC has arrived at percentage point of 0.34% by considering actual R&M expenses and average GFA of FY 2020-21. In addition to this, SLDC has considered AMC cost for SAMAST project Phase-1 and Phase-2 expected to be incurred during FY 2021-22. AMC under Phase-1 is due to extension of warranty from the vendor and it is applicable for 6 years. The total AMC for Phase-1 is Rs. 0.33 Crore including GST and it is one-time payment payable in FY 2021-22. Therefore, SLDC has claimed AMC of Rs. 0.33 Crore for SAMAST Phase-1 in FY 2021-22.

Further, AMC charges for SAMAST Phase-2 shall be applicable after warranty period. As per agreement with vendor, warranty period for software is 1 year and for hardware is 3 years. The total AMC cost for Phase-2 is Rs. 11.8 Crore including GST



for 5 years, which includes yearly AMC of Rs. 1.48 Crore for software and Rs. 0.86 Crore for hardware. Further, as per the contract, the AMC cost for software will be charged from Q4 of FY 2021-22 onwards and AMC cost for hardware will be payable from Q4 of FY 2023-24 onwards. Therefore, SLDC has considered AMC cost of Rs. 0.37 Crore for Software for last quarter of FY 2021-22.

R&M expenses claimed by SLDC is shown in the Table below:

Table 3-6: R&M Expenses for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Opening GFA		8.22
2	Percentage Point		0.34%
3	R&M Expenses (Without AMC)		0.03
4	AMC cost for SAMAST Phase 1		0.33
5	AMC Cost for SAMAST Phase 2 (Software)		0.37
6	Total R&M expenses	0.37	0.73

The Hon'ble Commission is requested to approve R&M expense in APR of FY 2021-22 as shown in the above Table.

3.5.3 Administrative and General (A&G) Expenses

A&G expenses comprise costs towards electricity and water charges, insurance charges, security expenses, professional charges, conveyance and travelling allowances and other debits.

Regulation 21.3 of BERG MYT Regulations, 2018 provides for escalation of base value norms for consideration of A&G Expenses. The relevant extracts are as follows:

"21.3 Administrative and General (A&G) Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:



$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

Where:

A&G_n: A&G expense for the year *n*

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years.

.....”

As per the above Regulation, the indexation to be considered is the weighted average rate of WPI: CPI in the ratio of 60:40, respectively. The calculation of weighted average indexation is shown in the Table below:

Table 3-7: WPI: CPI Inflation considered for A&G expenses of FY 2021-22

Particulars	Actual				Estimate
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Annual Average CPI Index	284	300	323	339	
CPI Inflation	3.08%	5.45%	7.53%	5.02%	6.00%
Annual Average WPI Index	115	120	122	123	
WPI Inflation	2.92%	4.28%	1.68%	1.29%	2.42%
WPI: CPI					3.85%

SLDC has therefore, considered the inflation rate of 3.85% on base values for computation of A&G expenses for FY 2021-22. The A&G expenses claimed in True up of FY 2020-21 are considered as base year A&G expenses for FY 2021-22.

Table 3-8: A&G expenses for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Base year A&G expenses	0.34	0.26
2	Indexation %	3.91%	3.85%
3	Inflationary increase	0.02	0.01
4	A&G Expenses	0.35	0.27

The Hon'ble Commission is requested to approve A&G Expenses in APR of FY 2021-22 as shown in the above Table.



3.5.4 Summary of Operation and Maintenance (O&M) Expenses

The summary of O&M expenses claimed in the APR of FY 2021-22 are shown in the Table below:

Table 3-9: O&M Expenses for FY 2021-22 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Employee Expenses	5.66	6.58
2	R&M Expenses	0.37	0.73
3	A&G Expenses	0.35	0.27
4	Total	6.38	7.58

The Hon'ble Commission is requested to approve O&M Expenses in APR of FY 2021-22 as shown in the above Table.

3.6 Interest and Finance Charges

SLDC has considered the opening balance of loan for FY 2021-22 same as the closing balance of loan for FY 2020-21. The interest and finance charges have been calculated in accordance with Regulation 24 of BERC MYT Regulations, 2018. The relevant extract of the Regulation is as under:

"24. Interest and finance charges on loan capital

... ..

(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan.

....."

SLDC has considered normative debt equity ratio of 70:30 and considered normative loan of Rs. 1.66 Crore as loan addition during FY 2021-22.

Further, Regulations 24 (g) of BERC MYT Regulations, 2018 provides for consideration of State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') rate in case of normative loans outstanding but no actual loans. The relevant extract is as follows:

"24. Interest and finance charges on loan capital

... ..

(g) The rate of interest shall be the weighted average rate of interest.....



.....Provided further that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') shall be applicable.

.....”

SLDC has considered the normative debt equity ratio of 70:30. The rate of interest has been considered as per the above Regulation, as the one-year MCLR rate of 7.00% as on September 2021. The calculation of interest on normative loan is summarised below:

Table 3-10: Interest and Finance Charges for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Opening Loan	4.82	5.51
2	Addition during the year	1.48	1.66
3	Normative Repayment (Equal to Depreciation)	2.50	2.47
4	Closing Loan	3.80	4.70
5	Average Loan	4.31	5.10
6	Interest Rate (%)	7.00%	7.00%
7	Interest on Loan	0.30	0.36
8	Other Finance Charges	-	-
9	Interest and Finance Charges	0.30	0.36

The Hon'ble Commission is requested to approve Interest on Normative loan in APR of FY 2021-22 as shown in the above Table.

3.7 Return on Equity

The Petitioner submits that it has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2018, as reproduced below:

“22. Return on Equity

- (a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower.

.....



(c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be.”

27. Tax on Return on Equity

... ..

(2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

.....”

SLDC has consider opening equity for FY 2021-22 as closing equity balance of FY 2020-21. The addition of equity is in line with 30% of amount of capitalisation estimated for FY 2021-22. The rate of RoE is considered as 15.50% in line with the Regulation 22 of BERC MYT Regulations, 2018. SLDC has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2020-21 as per audited accounts. The calculation of RoE is summarised in the table below:

Table 3-11: Return on Equity for FY 2021-22 (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Opening Equity	2.54	2.47
2	Addition during the year	0.64	0.71
3	Closing Equity	3.18	3.18
4	Average Equity	2.86	2.82
5	Rate of Return on Equity	15.50%	15.50%
6	MAT Rate%	-	17.47%
7	Effective Rate of Return on Equity	15.50%	18.78%



Sl. No	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
8	Return on Equity	0.44	0.53

The Hon'ble Commission is requested to approve RoE in APR of FY 2021-22 as shown in the above Table.

3.8 Interest on Working Capital

SLDC has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulations, 2018, as follows:

"26 Interest on working Capital

(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

(i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.

(ii) O&M Expenses of one (01) month.

(iii) Maintenance spares @ 15% of O&M expenses for one month.

.....

(b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.

....."

In the Tariff Order dated 20th March 2020, the Hon'ble Commission while calculating IoWC for FY 2020-21 has considered the components of working capital requirement as i) O&M expenses (1 month), ii) Maintenance spares @15% of 1 month O&M expenses, iii) Receivables - 2 months. Further, Depreciation and ROE for two months were deducted. In accordance with the above provisions and method adopted by the Hon'ble Commission, SLDC has computed the interest on working capital for FY 2021-22. Regulation 26 (b) specifies that the rate of interest shall be equal to State Bank



of India (SBI) one-year MCLR as of the date on which Tariff Petition is filed plus 150 basis points.

SLDC has hence, considered MCLR rate of 7.00% for one-year tenure revised with effect from 15th September 2021 as available on its website (<https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>) and accordingly added 150 basis points as provided in the Regulation. SLDC has therefore, considered interest rate of 8.50% (7.00%+1.50%) for computation of interest on working capital for the FY 2021-22, as shown in the Table below:

Table 3-12: Interest on Working Capital for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	FY 2021-22	
		Approved in TO dated 19.03.2021	Claimed in APR
1	Receivables equivalent to two (2) months	1.60	1.80
2	O&M Expenses of one month	0.53	0.63
3	Maintenance spares @15% of 1-month O&M expenses	0.07	0.09
4	Less: Depreciation and RoE for 2 months	0.49	0.50
5	Total Working Capital	1.71	2.03
6	Rate of Interest on Working Capital (%)	8.50%	8.50%
7	Interest on Working Capital	0.15	0.17

The Hon'ble Commission is requested to approve Interest on Working Capital in APR of FY 2021-22 as shown in above Table.

3.9 Non-Tariff Income

The Petitioner submits that it has earned Non-Tariff Income on account of STOA Charges amounting to Rs. 0.089 Crore till September 2021. Application fee for registration of users of SLDC and miscellaneous receipts recovered till September 2021 are Rs. 0.032 Crore and Rs. 0.023 Crore, respectively. Thus, the actual Non-Tariff Income for H1 of FY 2021-22 is Rs. 0.144 Crore. SLDC has projected the total Non-Tariff Income for FY 2021-22 by considering the same amount of Non-Tariff Income of H1 for H2.

The following Table shows the Non-Tariff Income considered in APR of FY 2021-22:

Table 3-13: Non-Tariff Income for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	FY 2021-22	
		Approved in TO dated 19.03.2021	Claimed in APR
1	STOA Charges		0.18
2	Miscellaneous Receipts		0.05
3	Application fee received		0.06
4	Non-Tariff Income	0.21	0.29

The Hon'ble Commission is requested to approve Non-Tariff Income in APR of FY 2021-22 as shown in the above Table.

3.10 Aggregate Revenue Requirement (ARR) for FY 2021-22

The Petitioner submits the following ARR in APR for FY 2021-22 as summarised below:

Table 3-14: ARR for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	FY 2021-22	
		Approved in TO dated 19.03.2021	Claimed in APR
1	O&M cost	6.38	7.58
a	<i>Employee cost</i>	5.66	6.58
b	<i>R&M expenses</i>	0.37	0.73
c	<i>A&G expenses</i>	0.35	0.27
2	Depreciation	2.50	2.47
3	Interest on Loan Capital	0.30	0.36
4	Interest on Working Capital	0.15	0.17
5	Return on Equity	0.44	0.53
6	Less: Non-Tariff Income	0.21	0.29
7	Total ARR	9.57	10.82

The Petitioner requests the Hon'ble Commission to approve the ARR in the APR for FY 2021-22 as shown in above Table.

3.11 Revenue Gap / (Surplus) for FY 2021-22

SLDC has considered the components of ARR as discussed in this Chapter and has adjusted the Revenue approved by the Hon'ble Commission for FY 2021-22 in Tariff



Order dated 19th March 2021, to arrive at the Revenue Gap/(Surplus) for FY 2021-22. Further, SLDC has adjusted the Revenue Gap of FY 2019-20 against ARR of FY 2021-22, as done by the Hon'ble Commission in the Tariff Order dated 19th March 2021. The following Table shows the Revenue Gap/(Surplus) for FY 2021-22 claimed in APR:

Table 3-15: Revenue Gap/(Surplus) for FY 2021-22 (Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Claimed in APR
1	Aggregate Revenue Requirement for FY 2021-22	9.57	10.82
2	Add: Trued up Revenue Gap of FY 2019-20 with carrying cost	0.56	0.56
3	Net Revenue Requirement for FY 2021-22	10.13	11.38
4	Less: Annual SLDC charges Approved by Hon'ble Commission for FY 2021-22 in Tariff Order dated 19 th March 2021	10.13	10.13
5	Revenue Gap/(Surplus) for the year (3-4)	-	1.25

The Petitioner requests the Hon'ble Commission to approve the Revenue Gap in the APR for FY 2021-22 as shown in the above Table.



4 Business Plan for the Control Period from FY 2022-23 to FY 2024-25

4.1 Introduction

SLDC has filed Business Plan for the Control Period from FY 2022-23 to FY 2024-25 in accordance with relevant provisions of BERC MYT Regulations, 2021.

In accordance with Regulation 5.1 of BERC MYT Regulations, 2021, Transmission Licensee or SLDC is required to incorporate the requirements of the Business Plan for the Control Period in the MYT Petition. The relevant extracts are as follows:

“5.1 The Transmission Licensee or SLDC, as the case may be, shall file a Business Plan, for the Control Period by a Petition in accordance with BERC (Conduct of Business) Regulations, 2005 and its amendments from time to time, by 15th September of the year prior to the commencement of the Control Period and accompanied by such fee payable, as specified in the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time.

Provided that, application for approval of the Business Plan shall not be required to be filled for the Control Period 2022-23 to 2024-25 and all requirement of business plan shall be incorporated in the MYT petition of this control period.”

Accordingly, the broad framework of the Business Plan has been incorporated in this MYT Petition, as detailed in the following paragraphs, while the numbers have been elaborated in the MYT Chapter.

4.2 Business Scope

Considering the duties and functions of SLDC illustrated in the Electricity Act, 2003, the business scope for SLDC aims to enhance the infrastructure of SLDC so that a robust, scalable and dispute free scheduling, metering, accounting and settlement of transaction in electricity can take place.

4.3 Approach to Development of Business Plan

The Business Plan comprises infrastructure required by SLDC to perform robust, scalable and dispute-free scheduling, metering, accounting and settlement of transaction in electricity. The Business Plan has been developed considering the growing penetration of renewable energy sources and increasing transaction of



electricity at intra-State and inter-State level. A rational approach has been followed for ascertaining various data points using practical assumptions wherever required.

The components of Business Plan depend upon various factors such as historical data, current and future financial estimates, growth estimates, economic, financial and business-related assumptions, current operational requirements, other foreseeable changes/requirements in future, etc. Any deviations due to a number of uncontrollable externalities shall be brought to the notice of the Hon'ble Commission in accordance with the provisions of MYT Regulations. The Business Plan may need to be updated periodically in accordance with various schemes/ policy initiatives of the Government and in order to comply the directions of the Government/ Hon'ble Commission, as the case may be. Thus, SLDC would like to submit that the Business Plan is a dynamic document, which may need to be updated at various intervals in order to align it with the goals and objectives of the company and various schemes/ directions of the Central and State Government. Further, due to changing electricity market trends and various internal and external factors, the Business Plan may need to be updated.

4.4 Key Objectives

The primary objectives for developing the Business Plan are as follows:

- Providing a tool for Strategic Planning: The Business Plan is intended to chart the Company's way forward. The key objective for developing the business plan is to analyse and anticipate the major requirements of infrastructure to operate the power market in an integrated manner. Business Plan has been envisaged to ensure Integrated Operation of power system in the State and to facilitate transfer of electric power within and across the regions with reliability, security and economy.
- For the regulatory compliance of incorporation of requirements of Business Plan in the MYT Petition as mandated by BERC MYT Regulations, 2021.
- Aid in decision making and better operational efficiency: The Business Plan may aid in decision making while planning and execution of the project. Business Plan may prove to help for the Management, all stakeholders, Hon'ble Commission and various government bodies.



4.5 Capital Investment Plan

SLDC has projected the Capital Investment Plan for the Control Period from FY 2022-23 to FY 2024-25 in accordance with the provisions of BERC (Procedure for Filing Capital Investment and Capitalization Plan) Regulations, 2018 and relevant provisions of BERC MYT Regulations, 2021.

For smooth operation and uninterrupted working of SLDC, SLDC has proposed to undertake following works:

- **New Computer System:** Once Enterprise Resource Planning (ERP) will go live, each employee of SLDC needs a computer system for daily transaction updates. Thus, SLDC has proposed to procure new computer system in FY 2022-23 with estimated cost of Rs. 0.048 Crore.
- **UPS Battery Set for SAMAST Server:** UPS battery is consumable and needs to be replaced periodically for proper backup of SAMAST Servers. Therefore, SLDC has proposed to procure battery system for SAMAST in FY 2023-23 with estimated cost of Rs. 0.044 Crore.
- **Implementation of Unified Network Management System (UNMS):**
SLDC has planned to implement UNMS in FY 2022-23 with estimated cost of Rs. 0.40 Crore. UNMS is envisaged as a platform for measuring the efficiency of data link availability as per CERC (Communication System for inter-State transmission of electricity) Regulations, 2017. UNMS has been approved for central sector in 42nd ERPC Meeting. UNMS has been envisaged for better system visibility, redundant path identification and fault finding for whole communication network (inter regional and intra-State). The centralized UNMS will help in improving the availability of communication network. PGCIL submitted the cost estimate of for regional component of UNMS as Rs. 97.93 Crore and state sector component of UNMS is Rs. 2.00 Crore. Further, price breakup has been done on Point of Connection (PoC) slab rate vide CERC Order No. L-1/44/2020 dated 4th April, 2020. Tentative ratio and approximate cost involvement of BSPTCL in PoC mechanism is calculated as 12.81%. Accordingly, the share of SLDC has been arrived at Rs. 0.40 Crore.

SLDC has projected project cost of abovementioned projects in the Table below:



Table 4-1: Projected Project Cost (Rs. Crore)

Sl. No.	Particulars	Total Amount
1	New Computer System	0.048
2	UPS Battery set for SAMAST Server	0.044
3	Implementation of UNMS	0.40
4	Total	0.49

Further, SLDC submits capital expenditure, capitalisation and source of funding for the Control Period from FY 2022-23 to FY 2024-25 in the Table below:

Table 4-2: Projected Capital Expenditure for the Control Period (Rs. Crore)

Sl. No.	Particulars	Source of funding	FY 2022-23	FY 2023-24	FY 2024-25
1	New Computer System	Internal resources	0.048	0.00	0.00
2	UPS Battery set for SAMAST server		0.00	0.044	0.00
3	Implementation of UNMS		0.40		0.00
Total			0.45	0.044	0.00

Table 4-3: Projected Capital Expenditure and Capitalisation for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Capital Expenditure	0.45	0.04	0.00
2	Capitalisation	0.45	0.04	0.00

As regards Number of employees, O&M expenses, depreciation, summary of ARR, SLDC has submitted details for the Control Period from FY 2022-23 to FY 2024-25 in the subsequent Chapter.



5 Annual Revenue Requirement for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Operating Charges for FY 2022-23

5.1 Introduction

SLDC has filed the ARR for the Control Period from FY 2022-23 to FY 2024-25 in accordance with relevant provisions of BERC MYT Regulations, 2021.

In accordance with Regulation 11.3 of BERC MYT Regulations, 2021, Transmission Licensee or SLDC is required to file the ARR for each year of the Control Period. The relevant extracts are as follows:

*“11.3 An application (along with soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year **and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period.** The application should contain the data relating to each item of the ARR supported with the information/ data in the formats Form no-SI to Form no-P12 appended to these Regulations and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition... (Emphasis Added).”*

Regulation 4 of the BERC MYT Regulations, 2021 provides for the Hon'ble Commission to determine tariff for SLDC Operations for each year of the Control Period. The relevant extracts are as follows:

*“4.1 The Commission **shall determine the tariff** for Transmission business or charges of SLDC operations under a Multi-Year Tariff **framework with effect from April 1st of each financial year** subject to provisions under these Regulations..... (Emphasis Added).”*



Accordingly, SLDC submits its proposal for determination of ARR for the Control Period from FY 2022-23 to FY 2024-25 and SLDC Operating Charges for FY 2022-23 as discussed in the following paragraphs.

5.2 Capital Expenditure and Capitalisation

As discussed in Business Plan Chapter, SLDC has projected capital expenditure and capitalisation of Rs. 0.45Crore and Rs. 0.04Crore for FY 2022-23 and FY 2023-24, respectively. There is no capital expenditure and capitalisation planned for FY 2024-25.

The following Table shows the Capital Expenditure and Capitalisation projected for the Control Period from FY 2022-23 to FY 2024-25:

Table 5-1: Capital Expenditure and Capitalisation projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Capital Expenditure	0.45	0.04	0.00
2	Capitalisation	0.45	0.04	0.00

Hence, the Hon'ble Commission is requested to approve the Capital Expenditure and Capitalization for the MYT Control Period as shown in the above table.

5.3 Gross Fixed Assets

SLDC has considered the closing balance of GFA for FY 2021-22 as the opening balance of GFA for FY 2022-23 and onwards. Accordingly, SLDC has arrived at the closing balance of GFA for FY 2024-25. The following table shows the GFA projected for the Control Period from FY 2022-23 to FY 2024-25:

Table 5-2: GFA projected for Control Period from FY 2022-23 to FY 2024-25 (Rs. Crore)

Sl. No	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening GFA	10.59	11.04	11.08
2	Addition during the year	0.45	0.04	0.00
3	Closing GFA	11.04	11.08	11.08



The Hon'ble Commission is requested to approve the addition to GFA for the Control Period from FY 2022-23 to FY 2024-25 as shown in the above Table.

5.4 Depreciation

SLDC has calculated Depreciation in accordance with Regulation 23 of BERC MYT Regulations, 2021, as reproduced below:

“23. Depreciation

- (i) Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year. No advance shall be granted against depreciation.*
- (ii) Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.*
- (iii) Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time.*

The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. The Transmission Licensee or SLDC, as the case may be, shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition.

Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

.....”

SLDC has computed the depreciation for each year of the Control Period considering weighted average depreciation rate on average depreciable GFA. SLDC has considered rate of depreciation equal to 26.26% for the period from FY 2022-23 to FY 2024-25 in line with rate of depreciation considered for FY 2021-22. It is to be noted that assets of SAMAST project would be fully depreciated during FY 2024-25. Therefore, SLDC has considered the depreciation for assets of SAMAST project in FY 2024-25 till the original cost of the asset. The effective depreciation rate for FY 2024-25 comes to be 22.05%.



The following Table shows the depreciation considered by SLDC for the Control Period from FY 2022-23 to FY 2024-25:

Table 5-3: Depreciation projected for the Control Period (Rs. Crore)

Sl. No	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening GFA	10.59	11.04	11.08
2	Addition during the year	0.45	0.04	0.00
3	Closing GFA	11.04	11.08	11.08
4	Average GFA	10.81	11.06	11.08
5	Rate of Depreciation	26.26%	26.26%	22.05%
6	Depreciation	2.84	2.90	2.44

The Hon'ble Commission is requested to approve Depreciation for the Control Period from FY 2022-23 to FY 2024-25 as shown in the above Table.

5.5 Operation and Maintenance (O&M) Expenses

5.5.1 Employee Expenses

Regulation 21.1 of BERC MYT Regulations, 2021 specifies that the employee cost shall be computed as per the approved norm escalated by CPI for immediately preceding three years, as follows:

"21.1 Employee Cost

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay Commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

EMP_n: Employee expense for the year n

EMP_b: Employee expense as per the norm

CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years....."



In accordance with the above Regulation, the Petitioner has calculated the average increase in CPI Index in Table 3-4 of this Petition. SLDC has considered the average increase of 6.00% for projecting employee expenses for the Control Period from FY 2022-23 to FY 2024-25, as shown in Table 3-4, in line with the increase considered in APR for FY 2021-22.

The employee expenses projected in the APR of FY 2021-22 is considered as base year employee expenses for projecting employee expenses for FY 2022-23. In similar manner, employee expenses for FY 2023-24 and FY 2024-25 have been computed considering employee expenses for FY 2022-23 and FY 2023-24 as base year employee expenses, as shown in the Table below:

Table 5-4: Employee Expenses projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Base year Employee expenses	6.58	6.98	7.40
2	Indexation %	6.00%	6.00%	6.00%
3	Inflationary increase	0.39	0.42	0.44
4	Employee expenses	6.98	7.40	7.84

The Hon'ble Commission is requested to approve Employee Expenses for the Control Period as shown in the above Table.

5.5.2 Repair and Maintenance (R&M) Expenses

Regulation 21.2 of BERG MYT Regulations, 2021 specifies provisions for computation of R&M expenses, the relevant extract of the Regulation is as follows:

21.2 Repairs and Maintenance (R&M) Expense

Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:

$$R\&M_n = K_b * GFAn$$

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm.



Since, the Hon'ble Commission has yet to determine the norms for the Control Period from FY 2022-23 to FY 2024-25, SLDC has calculated R&M expenses by considering percentage point and opening GFA. SLDC has arrived at percentage point by considering actual R&M expenses and average GFA of FY 2020-21. In addition to this, SLDC has considered AMC expenses expected to be incurred during the Control Period for SAMAST Phase-2.

AMC charges for SAMAST Phase-2 shall be applicable after warranty period. As per agreement with vendor, warranty period for software is 1 year and for hardware is 3 years. The total AMC cost for Phase-2 is Rs. 11.8 Crore including GST for 5 years, which includes yearly AMC of Rs. 1.48 Crore for software and Rs. 0.86 Crore for hardware. Since, as per the contract, the AMC cost for software will be charged from Q4 of FY 2021-22 onwards, SLDC has considered AMC cost of Rs. 1.48 Crore for Software for each year of the Control Period. AMC cost for hardware will be payable from Q4 of FY 2023-24 onwards. Therefore, SLDC has considered AMC cost of Rs. 0.22 Crore for FY 2023-24 and Rs. 0.86 Crore for FY 2024-25.

The following Table shows the R&M expenses as projected in ARR of the Control Period:

Table 5-5: R&M Expenses projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Gross Fixed Assets	10.59	11.04	11.08
2	Percentage point	0.34%	0.34%	0.34%
3	R&M Expenses (Without AMC)	0.04	0.04	0.04
4	AMC cost for SAMAST Phase 2 (Software)	1.48	1.48	1.48
5	AMC cost for SAMAST Phase 2 (Hardware)		0.22	0.86
6	Total R&M Expenses	1.52	1.73	2.38

The Hon'ble Commission is requested to approve R&M expenses for the Control Period as shown in the above Table.



5.5.3 Administrative and General (A&G) Expenses

A&G expenses includes allowances, holding charges and other debits. Regulation 21.3 of BERC MYT Regulations, 2021 provides for escalation of base value norms for consideration of A&G expenses. The relevant extracts are as follows:

“21.3 Administrative and General (A&G) Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

Where:

A&G_n: A&G expense for the year n

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years.....”

In accordance with the above Regulation, SLDC has calculated the weighted average increase in WPI:CPI Index in Table 3-7 of this Petition. SLDC has considered the weighted average increase of 3.85% for projecting A&G expenses for each year of the Control Period from FY 2022-23 to FY 2024-25, in line with the increase considered in APR for FY 2021-22.

The A&G expenses projected in the APR of FY 2021-22 is considered as base year expense for projecting A&G expenses for FY 2022-23. In similar manner, A&G expenses for FY 2023-24 and FY 2024-25 have been computed considering A&G expenses for FY 2022-23 and FY 2023-24 as base year A&G expense, as shown in the Table below:

Table 5-6: A&G expenses projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Base year A&G expenses	0.27	0.28	0.29
2	Indexation %	3.85%	3.85%	3.85%
3	Inflationary increase	0.01	0.01	0.01



Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
4	A&G Expenses	0.28	0.29	0.31

The Hon'ble Commission is requested to approve A&G Expenses for the Control Period as shown in above Table.

5.5.4 Summary of Operation and Maintenance (O&M) Expenses

The summary of O&M expenses projected in ARR for each year of the Control Period is as shown in the Table below:

Table 5-7: O&M Expenses projected for the Control Period (Rs. Crore)

Sl. No	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Employee Expenses	6.98	7.40	7.84
2	R&M Expenses	1.52	1.73	2.38
3	A&G Expenses	0.28	0.29	0.31
4	Total	8.78	9.42	10.52

The Hon'ble Commission is requested to approve O&M Expenses for the Control Period as shown in the above Table.

5.6 Interest on Loan

SLDC has considered the closing balance of loan for FY 2021-22 as the opening balance of loan for FY 2022-23 and onwards. The interest charges have been calculated in accordance with Regulation 24 of BERC MYT Regulations, 2021. SLDC has considered normative debt equity ratio of 70:30 and addition of loan during each year of the Control Period has been considered at 70% of capitalisation projected for FY 2022-23 to FY 2024-25.

SLDC has considered repayment equal to depreciation as specified in Regulation 24 (e) of BERC MYT Regulations, 2021. It is to be noted that the normative loan is getting fully repaid during FY 2023-24; therefore, there is no loan outstanding in FY 2024-25.

Regulations 24 (g) of BERC MYT Regulations, 2021 provides for consideration of State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') rate in case of normative loans outstanding but no actual loans. The relevant extract is as follows:

“24. Interest and finance charges on loan capital

.....

(g) *The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures:*

.....

Provided further that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate (‘MCLR’) shall be applicable.

.....”

The rate of interest has been considered as per the above Regulation as the one-year MCLR rate of 7.00% as on 15th September 2021. The calculation of interest on normative loan is summarised below:

Table 5-8: Interest on Loan projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Loan	4.70	2.17	0.00
2	Addition during the year	0.31	0.03	0.00
3	Normative Repayment (Equal to Depreciation)	2.84	2.20	0.00
4	Closing Loan	2.17	0.00	0.00
5	Average Loan	3.44	1.09	0.00
6	Interest Rate (%)	7.00%	7.00%	7.00%
7	Interest on Loan	0.24	0.08	0.00

The Hon’ble Commission is requested to approve Interest on Normative loan for the Control Period as shown in the above Table.

5.7 Return on Equity

SLDC has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2021, as reproduced below:



“22. Return on Equity

(a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower:

.....

(c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be. However, Return on Equity for the project commissioned prior to 01.04.2015 shall be allowed at the rate of 14%.”

Further Clause 2 of Regulation 27 specifies for the formula for computation of RoE. The relevant extract on the Regulation is as:

“27. Tax on Return on Equity

.....

2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

SLDC has considered the opening balance of equity for FY 2022-23 as same as the closing balance of equity for FY 2021-22 and onwards. Addition of equity during each year of the Control Period has been arrived at 30% of capitalisation proposed for FY 2022-23 to FY 2024-25. The rate of Return on Equity is considered as 15.50% in line with the Regulation 22 of BERC MYT Regulations, 2021. SLDC has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2020-21 as per annual accounts to arrive at effective Tax rate. The calculation of RoE is summarised in the table below:



Table 5-9: Return on Equity projected for the Control Period (Rs. Crore)

Sl. No	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Equity	3.18	3.31	3.32
2	Addition during the year	0.13	0.01	0.00
3	Closing Equity	3.31	3.32	3.32
4	Average Equity	3.24	3.32	3.32
5	Rate of Return on Equity	15.50%	15.50%	15.50%
6	Tax Rate %	17.47%	17.47%	17.47%
7	Effective Rate of Return on Equity	18.78%	18.78%	18.78%
8	Return on Equity	0.61	0.62	0.62

The Hon'ble Commission is requested to approve RoE for the Control Period as shown in above Table.

5.8 Interest on Working Capital

The Petitioner has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulation, 2021, as follows:

“26 Interest on working Capital

(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

(i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.

(ii) O&M Expenses of one (01) month.

(iii) Maintenance spares @ 40% of R&M expenses for one month.

.....

Less:

(iv) Return on equity and contribution to contingency reserves equivalent to two months.

(v) Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users.

.....

b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank (one-year tenure) Marginal Cost of Funds-based Lending Rate



(‘MCLR’) as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.

.....

In accordance with the above provisions, SLDC has computed the interest on working capital for the Control Period. Regulation 26 (b) specifies that the rate of interest shall be equal to State Bank of India (SBI) one-year MCLR as of the date on which Tariff Petition is filed plus 150 basis points.

SLDC has hence, considered MCLR rate of 7.00% for one-year tenure revised with effect from 15th September 2021 as available on its website (<https://www.sbi.co.in/portal/web/interest-rates/mclr>) and accordingly added 150 basis points as provided in the Regulation. SLDC has therefore, considered interest rate of 8.50% (7.00%+1.50%) for computation of interest on working capital for the Control Period as shown in the Table below:

Table 5-10: Interest on Working Capital projected for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Receivables equivalent to two (2) months	2.07	2.16	2.26
2	O&M Expenses of one month	0.73	0.79	0.88
3	Maintenance spares @ 40% of R&M expenses for one month	0.05	0.06	0.08
4	Less: RoE and contribution to contingency reserve for 2 months	0.10	0.10	0.10
5	Total Working Capital	2.75	2.90	3.11
6	Rate of Interest on Working Capital	8.50%	8.50%	8.50%
7	Interest on Working Capital	0.23	0.25	0.26

The Hon’ble Commission is requested to approve Interest on Working Capital for the Control Period as shown in the above Table.

5.9 Non-Tariff Income

SLDC has considered the Non-Tariff Income as Rs. 0.29 Crore for each year of the Control Period in line with the Non-Tariff Income estimated in APR for FY 2021-22.



The Hon'ble Commission is requested to approve Non-Tariff Income for the Control Period as mentioned above.

5.10 ARR for the Control Period from FY 2022-23 to FY 2024-25

The SLDC has projected ARR for the Control Period as discussed in the above paragraphs, is as shown in the Table below:

Table 5-11: ARR for the Control Period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	O&M cost	8.78	9.42	10.52
a	Employee cost	6.98	7.40	7.84
b	R&M expenses	1.52	1.73	2.38
c	A&G expenses	0.28	0.29	0.31
2	Depreciation	2.84	2.90	2.44
3	Interest on Loan Capital	0.24	0.08	-
4	Interest on Working Capital	0.23	0.25	0.26
5	Return on Equity	0.61	0.62	0.62
6	Less: Non-Tariff Income	0.29	0.29	0.29
7	Total ARR	12.41	12.99	13.57

The Petitioner requests the Hon'ble Commission to approve ARR for the Control Period as shown in the above Table.

6 SLDC Operating Charges

6.1 Trued up Revenue Gap of FY 2020-21

SLDC has arrived at net Revenue Surplus of Rs. 0.14 Crore in the Truing up for FY 2020-21. SLDC in accordance with the provisions of Regulation 13 (f) of the BERG MYT Regulations, 2018 has carried forward the Trued-up Revenue Surplus of FY 2020-21 along with holding cost to the ARR of FY 2022-23.

The Petitioner has considered the holding cost as 8.55% for FY 2020-21 (SBI MCLR 7.05%+1.50%) as on April 1, 8.50% (SBI MCLR 7.00%+1.50%) as on September, 2021 for FY 2021-22 and half year of FY 2022-23 as per the methodology adopted by the Hon'ble Commission in previous Tariff Orders, as detailed in the below Table:

Table 6-1: Revenue Gap/(Surplus) of FY 2020-21 with holding cost (Rs. Crore)

Sl. No.	Particulars	FY 2020-21
1	Revenue Gap/ (Surplus) in True Up of 2020-21	(0.14)
2	Interest for FY 2020-21 [(SBI MCLR 7.05%+1.5%) @8.55%] for 6 months	(0.006)
3	Interest for FY 2021-22 [(SBI MCLR 7.00%+1.5%) @8.50%] for 1 year	(0.012)
4	Interest for FY 2022-23 [(SBI MCLR 7.00%+1.5%) @8.50%] for 6 months	(0.006)
5	Total Revenue Gap/(Surplus) with holding cost	(0.16)

6.2 Annual SLDC Operating Charges for FY 2022-23

SLDC has projected ARR of Rs. 12.41 Crore for FY 2022-23. The Revenue Surplus of FY 2020-21 along with holding cost works out to Rs. 0.16 Crore as shown in the Table above. The Annual SLDC Operating charges for FY 2022-23 have hence, been computed as shown in the Table below:



Table 6-2: Annual SLDC Operating Charges for FY 2022-23 (Rs. Crore)

Sl. No.	Particulars	FY 2022-23
1	Aggregate Revenue Requirement for FY 2022-23	12.41
2	Trued up Revenue Surplus with holding cost for FY 2020-21	(0.16)
3	Annual SLDC Charges for FY 2022-23	12.25

The Petitioner requests the Hon'ble Commission to approve Annual SLDC Operating Charges for FY 2022-23 as shown in the above Table.

6.3 Methodology for recovery of ARR

The Petitioner proposes to recover the SLDC Operating Charges as per Regulation 35 of BERC MYT Regulations, 2021, as reproduced below:

"35. Sharing of SLDC Charges

35.1 The SLDC Charges payable by the Transmission System Users shall be computed in accordance with the following formula: -

*SLDC Charges payable for a month $SC_n = (SC/12) * (AC_n/SAC_n)$*

Where, SC_n = SLDC charge payable by Transmission System user

SC = Approved SLDC Aggregate Revenue Requirement for the year

AC_n = Actual installed capacity of nth Transmission System user in case of generating stations including RE generators / long term and medium term contracted capacities in case of sellers/aggregated allocated capacity and contracted capacity in case of distribution licensee/long term contracted capacity in case of buyer.

SAC_n = Sum of actual installed capacity of Transmission System users in case of generating stations including RE generators (within Bihar), long term and medium term contracted capacities in case of sellers, aggregated allocated capacity and contracted capacity in case of distribution licensee and long term contracted capacity in case of buyer.

35.2 The SLDC Charges approved for the Year shall be equally spread over the 12 months of the Year and SLDC Charges per MW per month shall be computed by SLDC accordingly."



Accordingly, the Petitioner proposes to recover the SLDC charges on monthly basis from Long-Term Transmission System Users in the ratio of their contracted capacity, as shown in the Tables below:

Table 6-3: Monthly SLDC Operating Charges for FY 2022-23 to Transmission System Users (Rs. Crore)

Sl. No.	Particulars	FY 2022-23
1	Annual SLDC Operating Charges for FY 2022-23	12.25
2	Monthly SLDC Operating Charge for FY 2022-23	1.02

Table 6-4: SLDC Charges for FY 2022-23 (Rs.)

Sl. No.	DISCOMs/LTA/PAYEE	Contracted/ Allocated capacity (MW)	Monthly SLDC Operating Charges (Rs.)
1	NBPDCL	3243.46	42,42,025
2	SBPDCL	3807.54	49,79,769
3	NTPC, Barauni	360	4,70,833
4	ECR, Hajipur	100	1,30,787
5	Bihar State Hydro Power Corporation	54.3	71,017
6	Response Renewable Energy Ltd. (Nawada)	10	13,079
7	Welspun/ Walehan Solar Bh Ltd. (Sherghati) P-I	15	19,618
8	Welspun/ Walehan Solar Bh Ltd. (Sherghati)P-II	15	19,618
9	Welspun/ Walehan Solar Bh Ltd. (Sherghati) P-III	10	13,079
10	Avantika Constructors (I) Ltd.	5	6,539
11	ACME (Magadh Solar Power Pvt. Ltd.)	10	13,079
12	ACME (Nalanda Solar Power Pvt. Ltd.)	15	19,618
13	Azure Power Eris Pvt. Ltd. (Murera, Ramnagar)	10	13,079
14	Sunmark Energy Project Ltd. (Sherghati)	10	13,079
15	Udipta Energy Equipment Pvt. Ltd. (Banka)	5	6,539
16	Alfa Infraprop Pvt. Ltd. (Rafiganj)	20	26,157
17	GLAT SPP- Nawada	3	3,924



Sl. No.	DISCOMs/LTA/PAYEE	Contracted/ Allocated capacity (MW)	Monthly SLDC Operating Charges (Rs.)
18	Bihar Distillers & Bottlers Pvt. Ltd. (Ara)	9.4	12,294
19	New Swadeshi Sugar Mill (Ramnagar)	10	13,079
20	Harinagar Sugar Mill (Ramnagar)	14.5	18,964
21	Bharat Sugar Mill (Gopalganj)	18	23,542
22	HPCL, Biofuel, Sagauli (Motihari)	20	26,157
23	HPCL, Biofuel, Lauriya (Ramnagar)	20	26,157
24	Hasanpur Sugar Mill (Dalsinghsarai)	10	13,079
25	Riga Sugar Mill (Sitamarhi)	3	3,924
26	Tirupati Sugar Ltd.	6	7,847
27	Siddhashra Rice Mill (Buxar)	2	2,616
	Total	7806.2	1,02,06,882

The Petitioner requests the Hon'ble Commission to approve Monthly SLDC Operating Charges for FY 2022-23 as shown in the above Table.



7 Prayers

The petitioner respectfully requests the Hon'ble Commission to:

- a. Admit this Petition;
- b. Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
- c. Pass suitable Orders with respect to the True-up of ARR for FY 2020-21, APR for FY 2021-22 and Business Plan and ARR for the Control Period from FY 2022-23 to FY 2024-25 and SLDC operating charges for FY 2022-23 as submitted in this Petition;
- d. Permit to propose suitable changes to the respective True-up/APR/Business Plan/ARRs, prior to the final approval by the Hon'ble Commission;
- e. Permit to revise any inadvertent omissions/errors/shortcomings, etc., and accordingly add/change/modify/alter this filing and make further submissions as may be required at a future date;
- f. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;
- g. To condone the delay in filing of present Tariff Petition for FY 2022-23 due to finalisation of annual accounts for FY 2020-21.

Place: Patna

A. K. Chaudhary

Dated: 01 December 2021

Chief Engineer (System Operations)



8 Compliance to Directives

The Hon'ble Commission in Tariff Order dated 19th March 2021 had issued certain directives to SLDC. This chapter deals with the compliance status of directives for compliance and implementation by the Petitioner.

8.1 Directive 1: Autonomy of SLDC

a) Original Directive issued by the Hon'ble Commission

The direction issued by the Hon'ble Commission in this regard is as follows:

“The Petitioner is directed to take necessary steps to strengthen the SLDC and also to make it a separate entity. The status report shall be furnished by 30.06.2020.”

b) Hon'ble Commission's Observation

The Commission has noted SLDC's response and directed SLDC to intimate the Commission from time to time of relevant developments as the matter is put up before BSP(H)CL Board for approval.

c) Compliance Status and Action to be taken by SLDC

SLDC in its earlier submission dated 30th June 2021 submitted that the State Government of Bihar imposed several restrictions and subsequent lockdown in the State w.e.f. 9th April 2021, which was in effect till 22nd June 2021, due to second wave of COVID-19 pandemic. Further, most of the staff of SLDC had got infected with COVID-19 and its operation was severally affected during this period. Hence, matters with regards to autonomy of SLDC could not be taken up before the BSP(H)CL Board for approval.

It is submitted that after resumption of SLDC office on 23rd June 2021, the matter has been taken up to the Board for approval. SLDC is waiting for approval from Board. SLDC shall submit the compliance in this regard at later stage.

8.2 Directive 2: Implementation of Scheduling, Accounting, Metering and Settlement of Transactions in Electricity (SAMAST)

a) Original Directive issued by the Hon'ble Commission

The direction issued by the Hon'ble Commission in this regard is as follows:



“SLDC is directed to adhere with the scheduled completion date of 05.06.2020 and submit updated status report on the implementation of SAMAST by 30.06.2020”

b) Hon’ble Commission’s Observation and Direction in Order dated 19th March 2021

The Commission has noted the submission of SLDC. SLDC has submitted that it has put to use all assets pertaining to SAMAST project as on 23 December, 2020. Accordingly, SLDC is directed to submit copies of asset-wise commissioning certificate to the Commission within 90 days from the issue of this Order. Further, the Commission also directs SLDC to put up a live demonstration of SAMAST in the 1st week of May, 2021 showing the benefits of implementation of the project.

c) Compliance Status and Action to be taken by SLDC

SLDC has already submitted the Physical Completion Certificate (PCC) and Taking Over Certificate (TOC) for SAMAST project on 24.12.2020. It is submitted that asset worth Rs. 8.22 Crore of SAMAST project was capitalized till December 2020. The asset wise financial completion certificate of SAMAST project till December 2020 was submitted at Annexure B. The balance amount of Rs. 2.37 Crore is yet to be capitalized in FY 2021-22.

As regards to put up a live demonstration of SAMAST, SLDC submits that it has prepared for live demonstration. When the Hon’ble Commission give node SLDC will demonstrate before the Commission.

8.3 Directive 3: Ring Fencing of SLDC

a) Original Directive issued by the Hon’ble Commission

“BSPTCL is directed to strengthen the SLDC function and to ring fence it sufficiently.”

b) Hon’ble Commission’s Observation and Direction in Order dated 19th March 2021

The Commission has noted SLDC reply and is directed to submit a status report on the same by 30 June 2021 to the office of the Commission.



c) Compliance Status and Action to be taken by SLDC

As stated above, the State Government of Bihar had imposed several restrictions and subsequent lockdown in the State on 9th April 2021, which was in effect till 22nd June 2021, due to second wave of COVID-19 pandemic. Further, most of the staff of SLDC had got infected with COVID-19 and its operations were severely affected during this period. Hence, matters with regard to ring fencing of SLDC could not be taken up before the management of BSP(H)CL during this period.

It is submitted that after resume of SLDC office on 23rd June 2021, SLDC is in process of taking up the matter to the Board of Directors for approval. SLDC may submit the status in this regard at later stage.

New Directive issued by the Hon'ble Commission

8.4 Directive 4: Separate website for SLDC

a) Original Directive issued by the Hon'ble Commission

"BSPTCL is directed to host separately a website for SLDC..."

b) Hon'ble Commission's Observation and Direction in Order dated 19 March 2021

The Commission has noted the reply of SLDC. SLDC has submitted they shall put up a separate website by January 2021. In this regard, SLDC should confirm to the Commission if the separate website for SLDC has been put up or not with the required data points as was directed by the Commission in the previous Order.

c) Compliance Status and Action to be taken by SLDC

In earlier submission dated 30th June, 2021, SLDC submitted that a separate website had already been created including all the data points as per the direction of the Hon'ble Commission.

As SLDC has already complied with the directive, it is humble request to the Hon'ble Commission to remove this direction from coming Tariff Order.

8.5 Directive 5: Separate Accounts/Allocation Statement

a) New Directive issued by the Hon'ble Commission



The Commission directs SLDC to produce the separate Audited Accounts/CA certified allocation statement along with Tariff Petitions for the Tariff proceedings of subsequent years. It is to be noted that in the absence of the separate Audited Accounts /CA certified allocation statement, merely producing the trail balance shall not be accepted for prudence check of the subsequent Tariff Petitions.

b) Compliance Status and Action to be taken by SLDC

SLDC submits Annual Accounts have been prepared on 30th October, 2021 and Audited Accounts will be available in December, 2021. Further, SLDC has prepared allocation statement of SLDC for FY 2020-21. The allocation statement thus prepared will be duly certified by Chartered Accountant. SLDC shall submit CA certified allocation statement once audit process is completed.

8.6 Directive 6: Regulatory Accounts:

a) New Directive issued by the Hon'ble Commission

The Commission directs SLDC to prepare and submit Regulatory Accounts along with Tariff Petitions from the Tariff proceedings of subsequent year onwards.

b) Compliance Status and Action to be taken by SLDC

SLDC submits that the process of preparation of Regulatory Accounts for SLDC shall be taken up after implementation of SAP/ERP system.

Annexure-I
Annual Accounts

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ANNUAL ACCOUNT
2020-21



**Bihar State Power
Transmission Company Limited**

Bihar State Power Transmission Company Limited



CIN: U74110BR2012SGC018889

BALANCE SHEET

As at

31st March 2021

&

PROFIT & LOSS ACCOUNT

For the year ended

31st March 2021

विकसित बिहार – रौशन बिहार

Reference Information

Corporate Office: 4th Floor, Vidyut Bhawan, Jawahar Lal Nehru Marg, Patna-800001	Chairman: Sri Sanjeev Hans, IAS
Website: www.bsptcl.in	Managing Director: Sri Sandeep Kumar R. Pudukalkatti, IAS
Contact No. 0612-250442	
For the financial year under review i.e 2020-21	
Statutory Auditor: M/s R.N. Singh & Co. Chartered Accountants Firm Reg. No. 322066E Address: 208, Hem Plaza, Fraser Road, Patna- 800001	Cost Auditor: M/s A.J.S. & Associates, Cost Accountants 2 nd Floor, L.O. House, Exhibition Road, Patna- 800001
Tax Auditor: M/s ATK & Associates, Chartered Accountants 24B, Sahdeo Mahto Marg, Patna- 800001	Banker: Canara Bank Bank of India State Bank of India Punjab National Bank Indian Bank Bank of Maharashtra Bandhan Bank ICICI Bank Yes Bank Axis Bank Indusind Bank
Board of Directors: Sri Sanjeev Hans, Chairman Sri Sandeep Kumar R. Pudukalkatti, Managing Director Sri Sanjivan Sinha, Director Sri Sunil Kumar Yadav, Director Sri Hare Ram Pandey, Director Sri Uttam Kumar, Director	



About Bihar State Power Transmission Company Limited:

Bihar State Power Transmission Company Limited, a subsidiary company of Bihar State Power (Holding) Company Limited, is a wholly owned corporate entity incorporated under the Companies Act 1956 on 1st Nov, 2012 after restructuring of erstwhile Bihar State Electricity Board.

Presently the company is carrying on intra-state transmission and wheeling of electricity under license issued by the Bihar Electricity Regulatory Commission. The company is also discharging the functions of State Load Dispatch Centre (SLDC).

Bihar State Power Transmission Company Limited is intensifying its network capabilities through continuous planning, timely execution, rigorous operation and maintenance of Intra-State Transmission System in coordination with the Central Transmission Utility (CTU) and various other bodies.

By the end of 13th Plan i.e. 2021-22, BSPTCL is likely to have 165 Grid Sub-stations with transformation capacity of 3000 MVA, 14510 MVA and 15290 MVA at 400/220 kV, 220/132 kV and 132/33 kV levels, respectively. Bihar Grid Company Limited (BGCL), a joint venture between Bihar State Power Holding Company Ltd (BSPHCL) and Power Grid Corporation of India Limited (PGCIL) is also contributing in achieving the goal.

Capacity augmentation at 400/220 kV is the thrust area. The majority of existing 400 kV systems are owned by Power Grid Corporation of India Limited (PGCIL). BSPTCL is constructing 400/220/132 kV Grid Sub-station at Bakhtiyarpur for the first time. Apart from this, BGCL is also constructing two more 400/220/132/33 kV Grid Sub-stations at Jakkanpur and Naubatpur with associated high capacity transmission lines resulting in total transformation capacity of 15390 MVA at 400 kV level in Bihar with CTU by the end of 13th Plan i.e. 2021-22.

GIS (Geographical Information System) mapping of all its operational as well as under construction Grid Sub-stations has been done and information is available on company's website.

Unified Load Dispatch & Communication (ULDC) has upgraded the SCADA system installed in SLDC. Optical fiber link has been established throughout the transmission network for ensuring faster communication of real time data flow.

BSPTCL is in process to adopt the e-Office which is a Mission Mode Project (MMP) under the National e-Governance programme of the Government. The product is developed by National Informatics Centre (NIC) and aims to usher in more efficient, effective and transparent inter-government and intra-government transactions and processes.

Enterprise resource planning (ERP) is under implementation. This will integrate varied



organizational systems and facilitates error-free transactions and production thereby enhancing the organization's efficiency in its intra state power transmission business.

In order to increase the evacuation capacity, BSPTCL is implementing large number of sub-station and transmission line projects. BSPTCL is also working towards installation of Gas Insulated Sub-Station, Sub-Station Automation System and High Capacity Conductors in transmission lines.

BSPTCL has also undertaken various projects of augmentation, renovation and modernization of existing Grids and Transmission Lines. To ensure stable and uninterrupted power supply to the people of state, company has taken up projects for connecting its GSS to multiple sources of power and making them N-I compliant.

All the GSSs and Transmission Lines are on GIS map. The State Load Dispatch Centre has the latest technology of real time data control and communication.

Besides continual technical up-gradation, the company lays emphasis on imbibing required skills in its people and therefore it has invested in creating training infrastructure. It has recently established a "Power Training Centre" at Gaurichak, Patna, where employees and students are trained on various power system protection and equipment testing techniques.

"BSPTCL: The Life Line of Bihar" is committed to the goal of Quality Power to all.

Vision and Mission:

To establish ourselves as a model STU and transmission licensee with respect to planning, project implementation, operational capabilities, performance with emphasis on cost and quality consciousness, human resources development and corporate social responsibility.

Functions and Duties:

Functions of BSPTCL

To undertake transmission of electricity through intra-State transmission system;

To discharge all functions of planning and co-ordination relating to intra-state transmission system with -

- Central Transmission Utility;
- State Governments;
- generating companies;
- Regional Power Committees;
- Authority;
- licensees;
- Any other person notified by the State Government in this behalf;



To ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;

Duties of BSPTCL

To build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission and to comply with the directions of the Regional Load Despatch Centre and the State Load Despatch Centre.

Technical Information:

Transmission System Availability Factor (TAFM) in BSPTCL

2020-21 Month	Percentage Transmission System Availability Factor	
	220 KV Transmission System	132 KV Transmission System
March 21	99.33	99.78
February 21	99.53	99.84
January 21	99.30	99.70
December 20	99.37	99.64
November 20	99.70	99.82
October 20	99.75	99.86
September 20	99.47	99.79
August 20	99.72	99.79
July 20	99.33	99.65
June 20	99.64	99.17
May 20	99.07	99.48
April 20	99.83	99.37

Transmission Network

	Transmission Lines	
	220 KV Line	132 KV Line
Number	75	347
Length	3,760.08 KM	11,323.89 KM

	Grid Sub Stations	
	220 /132 /33 KV	132 / 33 KV
Number	18	126
Capacity	9,850 MVA	12,710 MVA



Transmission Bays		
	220 /132 /33 KV	132 / 33 KV
Number	186	1129

Peak Demand achieved by BSPTCL

Financial Year	Peak Demand	Achieved on
2012-13	1,802 MW	18-06-2012
2020-21	5,932 MW	17-07-2020

Organisational Detail

S. No.	Description	Name	Numbers
1.	Zones	Patna, Bhagalpur and Muzaffarpur	3
2.	Circles (O&M + Civil)	O&M: Patna (East), Patna (West), Dehri-on- Sone, Biharsharif, Gaya, Bhojpur, Bhagalpur, Begusarai, Purnea, Muzaffarpur,Saran, Madhepura, Vaishali, Darbhanga, Motihari Civil: Patna, Dehri-on-Sone, Gaya, Bhagalpur, Purnea, Muzaffarpur,Saran,Madhepura, Darbhanga	24
3.	Non-O&M unit	Head Office BSPTCL and SLDC	1

Personnel in BSPTCL

Particulars	Class I	Class II	Class III	Class IV	Total
Beginning of the Year	450	378	1385	130	2343
Recruitment	00	00	00	00	00
Retirement	11	00	21	04	36
At year end	439	76	1364	126	2307

Personnel in SLDC

Particulars	Class I	Class II	Class III	Class IV	Total
Beginning of the Year	39	00	00	00	39
Recruitment	00	00	00	00	00
Retirement	01	00	00	00	01
At year end	38	00	00	00	38



Transmission System Strengthening in Bihar

Time-frame: 2022
 (with New Strengthening - Oct'2019)
 (with Chapra 400kV, Buxar TPS)

