

Bihar Electricity Regulatory Commission



Case No. 18 of 2021

Tariff Order

**True up for FY 2020-21,
Annual Performance Review for FY 2021-22,
Annual Revenue Requirement (ARR) for
the control period of FY 2022-23 to FY 2024-25
and SLDC Charges for FY 2022-23
for**

State Load Despatch Centre (SLDC)

Issued on 25th March, 2022

(With effect from 1st April, 2022)

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ABBREVIATIONS

A&G	Administrative and General
APR	Annual Performance Review
ARR	Annual Revenue Requirement
BERC	Bihar Electricity Regulatory Commission
BSP(H)CL	Bihar State Power (Holding) Company Limited
BSPTCL	Bihar State Power Transmission Company Limited
BGCL	Bihar Grid Company Limited
CAPEX	Capital expenditure
CAGR	Compounded Annual Growth Rate
CGS	Central Generating Stations
CPI	Consumer Price Index
CERC	Central Electricity Regulatory Commission
CTU	Central Transmission Utility
CWIP	Capital works in progress
DISCOM	Distribution Company
FY	Financial Year
GFA	Gross Fixed Assets
MCLR	Marginal Cost of funds based Lending Rate
MYT	Multi Year Tariff
MU	Million Units
NBPDCL	North Bihar Power Distribution Company Limited
O&M	Operation and Maintenance
R&M	Repairs and Maintenance
RoE	Return on Equity
R.E	Revised Estimate
SBI	State Bank of India
SBPDCL	South Bihar Power Distribution Company Limited
SLDC	State Load Despatch Centre
STU	State Transmission Utility
WPI	Whole-sale Price Index



Bihar Electricity Regulatory Commission
Ground floor, Vidyut Bhawan –II Jawaharlal Nehru Marg,
Patna – 800021

Case No: 18 of 2021

In the matter of:

True up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22, Annual Revenue Requirement (ARR) for the control period FY 2022-23 to FY 2024-25 and SLDC operating Charges for FY 2022-23 for State Load Despatch Centre (SLDC).

AND

Bihar State Power Transmission Company Limited

..... Petitioner

Present:

Shri Shishir Sinha- Chairman
Shri S C Chaurasia- Member

ORDER
(Passed on 25th March 2022)

In exercise of the powers vested with Bihar Electricity Regulatory Commission (BERC) under Section 32(3), read with Section 62 & 64 (3) of the Electricity Act, 2003 and BERC (Levy and Collection of Fees and Charges by SLDC) Regulations 2006, BERC (Multi Year Transmission and SLDC charges) Regulations 2018 and BERC (Multi Year Transmission and SLDC charges) Regulations 2021 and other enabling provisions in this behalf, the Commission is issuing this order approving True up of Annual Revenue Requirement (ARR) for FY 2020-21, Annual Performance Review (APR) for FY 2021-22, Annual Revenue Requirement (ARR) for the control period of FY 2022-23 to FY 2024-25 and the SLDC operating charges for FY 2022-23.

As mandated under section 64(3) of the Electricity Act, 2003 for providing adequate opportunities to all stakeholders and general public for making suggestions/objections on

the petitions, the Commission directed SLDC/BSPTCL to publish the petition in an abridged form as “Public Notice” in newspapers having wide circulation in the State inviting suggestions/objections on the petition. Accordingly, SLDC/BSPTCL published the petition in the abridged form as public notice in various newspapers. The petition was also placed on the BSPTCL’s website. The last date of submission of suggestions/objections was fixed as 28.01.2022.

The Commission, in order to ensure transparency in the process of dealing with the above petition and for providing proper opportunity to all stakeholders and general public for making suggestions/objections on the tariff petition, decided to hold the public hearing through video conferencing mode in its office at Patna. The Commission accordingly held the public hearing on 08.02.2022 through Video Conference.

The petition submitted by SLDC/BSPTCL was also placed before the State Advisory Committee on 28.01.2022 through Video Conference and the various aspects were discussed by the Committee. The Commission took the advice of the State Advisory Committee on the petition during the meeting of the Committee.

The Commission having considered the facts presented by the Petitioner in its petition and subsequent various filings, suggestions / objections of the stakeholders including general public, response of the SLDC/BSPTCL, advice of the State Advisory Committee, has true up the ARR of FY 2020-21, reviewed the APR for FY 2021-22, approved ARR for the control period for FY 2022-23 to FY 2024-25 and determined the SLDC Charges for FY 2022-23.

The Commission had approved ARR of Rs.7.55 crore for SLDC/BSPTCL for FY 2020-21 in Tariff order dated 20.03.2020. SLDC/BSPTCL has claimed Rs.7.41 Crore for FY 2020-21 in true up against which the Commission after prudence check has approved Rs.7.43 Crore.

SLDC/BSPTCL has estimated the revised ARR of Rs.11.38 Crore for FY 2021-22 against which the Commission had considered Rs.11.28 Crore.

SLDC/BSPTCL has projected ARR of Rs.12.25 Crore for FY 2022-23 against which the Commission after including the revenue surplus of FY 2020-21 along with carrying cost has approved the ARR of Rs.12.02 crore for FY 2022-23.

The Commission directs SLDC to raise bill and recover these charges on monthly basis from the Transmission system users in accordance with Regulation 35 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021.

This order shall be effective from 1st April 2022 and shall remain in force till 31st March 2023 or till the next tariff order of the Commission.

This order will be placed on the website of the Commission and copies will be sent to BSPHCL, BSPGCL, BSPTCL, NBPDC, SBPDCL, BGCL, Department of Energy/Government of Bihar, Central Electricity Regulatory Commission and Central Electricity Authority.

Pronounced in the open court on this day of 25th March, 2022.

**Sd/-
S. C. Chaurasia
Member**

**Sd/-
Shishir Sinha
Chairman**

1. Introduction

1.1 Bihar Electricity Regulatory Commission (BERC)

The Bihar Electricity Regulatory Commission (hereinafter referred to as the “Commission” or “BERC”) was constituted by the Government of Bihar under Section 17 of the Electricity Regulatory Commission Act, 1998 vide Government of Bihar notification No.1284 dated 15th April 2002. The Electricity Regulatory Commission Act, 1998 along with Indian Electricity Act, 1910 and Electricity (Supply) Act, 1948 was repealed by Section 185 (1) of the Electricity Act, 2003 (hereinafter referred to as the “Act”). The first proviso of Section 82 (1) of the Act has envisaged continuity of the Bihar Electricity Regulatory Commission by laying down that the State Electricity Regulatory Commission established by the State Government under Section 17 of Electricity Regulatory Commission Act, 1998 and functioning as such, immediately before the appointed date, shall be the State Electricity Regulatory Commission for the purpose of the Act.

1.2 Functions of BERC

As per Section 86 of the Electricity Act 2003, the State Commission shall discharge the following functions, namely:

- a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State: Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of Power for distribution and supply within the State;
- c) facilitate intra-state transmission and wheeling of electricity;
- d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the

State;

- e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- g) levy fee for the purposes of this Act;
- h) specify State Grid Code consistent with the Indian Electricity Grid Code specified with regard to grid standards;
- i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j) fix the trading margin in the intra-state trading of electricity, if considered, necessary; and
- k) discharge such other functions as may be assigned to it under this Act.

1.3 Constitution of State Load Despatch Centre (SLDC)

Section 31 of the Electricity Act, 2003, provides for constitution of State Load Despatch Centre (SLDC). The same is reproduced as below:

“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.”

1.4 Functions of State Load Despatch Centre

The functions of SLDC as envisaged in the Electricity Act, 2003, is 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.”*

As no Separate entity either in the form of Government Corporation or authority or Company has been notified by the State Government, the State Transmission Utility namely Bihar State Power Transmission Company Limited (BSPTCL) is operating the State Load Despatch Centre (SLDC).

1.5 Separate ARR for SLDC

The BSPTCL in terms of regulations 8 of BERC (Levy and Collection of Fees and Charges) Regulations 2006, BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2018 and BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021, BSPTCL has filed the present petition for true up for FY 2020-21, APR for FY 2021-22, ARR for the control period FY 2022-23 to FY 2024-25 and determination of SLDC charges for FY 2022-23.

The Petitioner has submitted that the day-to-day operations of SLDC are managed by BSPTCL and separate account of Revenue and expenses of SLDC is being maintained.

The Petitioner has also submitted that the assets of SLDC are not owned by BSPTCL. The same are owned by PGCIL who recovers cost through tariff charged to the Distribution Companies namely, South Bihar Power Distribution Company Limited and North Bihar Power Distribution Company Limited.

1.6 Admission of Current Petition and Public Hearing Process

BSPTCL has filed the present tariff petition on 1st December 2021 through Chief Engineer (System Operations) for true up of FY 2020-21, review for FY 2021-22, determination of ARR for the control period of FY 2022-23 to FY 2024-25 and SLDC Charges for FY 2022-23 under section 32(3) and 62 of Electricity Act, 2003 read with Bihar Electricity Regulatory Commission (Levy and Collection of Fee and Charges by SLDC) Regulations 2006, BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2018 and BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021.

On preliminary verification of the petition, the Commission vide its letter No. BERC-Case No.18/2021-987 dated 16.12.2021 directed SLDC/BSPTCL to submit the clarifications/additional information which it has submitted vide letter no.552 dated 24.12.2021. There after the Commission has admitted the Petition as Case No.18 of 2021 on 04.01.2022. As mandated under section 64 of the Electricity Act 2003, the Commission directed the BSPTCL to publish the petition in an abridged form in at least two daily newspapers, one in English and the other in Hindi, having wide circulation in the State inviting objections and suggestions from its stakeholders on the ARR and Petition filed by it. BSPTCL was also directed to publish the schedule for Public Hearing along with the public notice inviting objections/suggestions on the petition. The public notice in an abridged form of the tariff petition is published in the following newspapers as given below:

Name of the News Paper	Language	Date of Publication
Dainikjagaran	English	08.01.2022
Hindustan	Hindi	08.01.2022
Dainikjagaran	Hindi	12.01.2022
Hindustan	English	12.01.2022

The petition was also placed on the website of BSPTCL for inviting objections and suggestions on the petition and copies of the petition along with Annexures were also made available for sale in the office of the Chief Engineer (System Operation), BSPTCL, 4th floor, Vidyut Bhavan-1, Patna.

The interested parties/stakeholders were asked to file their objections/suggestions

on the petition on or before 28.01.2022. It was also intimated that the public hearing would be conducted on 08.02.2022 through Video Conference.

The public hearing was conducted as scheduled on 08.02.2022 through Video conference. The representatives of Bihar Industries Association, Bihar Chamber of Commerce and Industries and the BSPTCL have participated in the public hearing. However, there are no issues raised relating to SLDC business in the public hearings. No written comments, suggestions, objections are received.

The proposal of SLDC/BSPTCL was also placed before the State Advisory Committee (SAC) in its meeting held on 28.01.2022 through Video conference and various aspects of the petition were discussed by the committee. The Commission took the advice of the State Advisory Committee on the petition filed by SLDC/BSPTCL during the meeting of the Committee. The minutes of the meeting are given in **Annexure-I**.

1.7 Approach of the Order

The Commission has examined the petition and observed that certain additional data/information and clarifications are required for taking up detailed analysis of the Petition. The Commission directed the Petitioner to submit the additional data/information and clarifications vide letter No. BERC-Case No. 18/2021-987, dated 16.12.2021. The Petitioner has submitted additional information/data/clarifications vide their Letter No. 552 dated 24.12.2021.

The Commission has undertaken the true up for FY 2020-21, review of APR for FY 2021-22, determination of ARR for the control period for FY 2022-23 to FY 2024-25 and SLDC charges for FY 2022-23.

1.8 Contents of this order

This order is divided into Seven (7) chapters as detailed below:

1. **Chapter 1** provides a background of SLDC, filing of the Petition, details of public hearing process and the approach adopted for this order.
2. **Chapter 2** contains a summary of Tariff Petition of SLDC.
3. **Chapter 3** provides a brief account of the public hearing process including the objections raised by stakeholders, Petitioner's response and Commission's views on the same.

4. **Chapter 4** deals with true up for FY 2020-21.
5. **Chapter 5** deals with the Annual Performance Review (APR) for FY 2021-22.
6. **Chapter 6** deals with determination of Annual Revenue Requirement (ARR) for the control period of FY 2022-23 to FY 2024-25 and SLDC operating Charges for FY 2022-23.
7. **Chapter 7** deals with the Directives.

2. Summary of Petition for Truing up for FY 2020-21, Review for FY 2021-22 and ARR for control period FY 2022-23 to FY 2024-25 and SLDC Charges for FY 2022-23

2.1. Background

The BSPTCL has filed the present petition on 1st December 2021 seeking approval for True up for FY 2020-21, review of APR for FY 2021-22, determination of Annual Revenue Requirement (ARR) for the control period of FY 2022-23 to FY 2024-25 and SLDC charges for the FY 2022-23.

2.2. Summary of Annual Revenue Requirement (ARR)

The Petitioner has projected the truing up for FY 2020-21, APR for 2021-22 and ARR for the control period FY 2022-23 to FY 2024-25 in its petition dated 1st December 2021 as detailed in Table below:

Table 2.1: Projected true up for FY 2020-21, APR FY 2021-22 (RE) and ARR for FY 2022-23 to FY 2024-25

Sl. No.	Particulars	FY 2020-21 (Actual)		FY 2021-22 (Estimated)		Projections for the control period		
		Approved in Tariff Order dated 20.03.2020	Now claimed in True up for FY 2020-21	Approved in Tariff Order dated 19.03.2021	Revised Estimates for APR for FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Capital Expenditure	7.39	5.45	2.12	2.37	0.45	0.04	0.00
2	Capitalisation	10.59	8.22	2.12	2.37	0.45	0.04	0.00
3	Employee Cost	4.23	6.21	5.66	6.58	6.98	7.40	7.84
4	R&M expenses	0.08	0.01	0.37	0.73	1.52	1.73	2.38
5	A&G expenses	0.62	0.26	0.35	0.27	0.28	0.29	0.31
6	Depreciation	1.46	0.24	2.50	2.47	2.84	2.90	2.44
7	Interest on loan capital	0.24	0.20	0.30	0.36	0.24	0.08	0.00
8	Interest on working capital	0.13	0.15	0.15	0.17	0.23	0.25	0.26
9	Return on Equity	0.30	0.23	0.44	0.53	0.61	0.62	0.62
10	Less: Sharing of Gains / Losses		-0.10					
11	Less :Non Tariff Income	0.12	0.41	0.21	0.29	0.29	0.29	0.29
12	Net ARR Sub-total (3 to 11)	6.94	6.80	9.57	10.82	12.41	12.99	13.57
13	Less: Trued-up revenue gap / (surplus) of earlier years including carrying cost	0.61	0.61	0.56	0.56	-0.16		
14	Total Annual Revenue Requirement (12+13)	7.55	7.41	10.13	11.38	12.25	12.99	13.57
15	Less: SLDC charges received / approved	7.55	7.55	10.13	10.13			
16	Revenue Gap/(Surplus) (14-15)	0.00	-0.14	0.00	1.25	12.25	12.99	13.57

Accordingly, the Commission has considered the projections given in Table 2.1 above for truing up for FY 2020-21, APR for FY 2021-22 and ARR for the control

period of FY 2022-23 to FY 2024-25, while analyzing the expenses and for approving the ARR and SLDC charges for FY 2022-23.

2.3. SLDC Fees and Charges

The Petitioner has submitted that the assets of SLDC are owned by PGCIL which recovers the charges from Distribution Companies by levying a charge.

The Petitioner, in terms of Regulation 35 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021, has proposed to recover the SLDC charges on monthly basis from the Long-Term Transmission System Users in the ratio of their contracted capacity.

2.4. Request to the Commission

The Petitioner has requested the Commission as under:

- i). To admit the Petition;
- ii). Examine the proposal submitted by the Petitioner in the enclosed petition for a favourable dispensation;
- iii). Pass suitable orders for true up ARR of FY 2020-21, APR for 2021-22 and ARR for the control period from FY 2022-23 to FY 2024-25 and SLDC operating charges for FY 2022-23;
- iv). Permit to revise any inadvertent omissions, errors, short comings, etc. and accordingly add/change/modify/alter this filing and make further submissions as may be required at a future date; and
- v). Pass such Orders as deemed fit and appropriate on the facts and circumstances of the case.

3. Stakeholder's Objections/Suggestions, Petitioners Response and Commission's Observations

3.1. Background

In response to the public notice (abridged form of the petition) published by the petitioner (BSPTCL) inviting objections/ suggestions from the general public / stakeholders on the Tariff Petition filed by SLDC/BSPTCL, no written objections/suggestions/comments are received.

3.2. Public Hearing

The Petitioner published the 'Notice' on 08.01.2022 in two daily Newspapers Hindusthan (Hindi) and Dainik Jagran(English) and also on 12.01.2022 in Hindusthan (English) and Dainik Jagran(Hindi) inviting the suggestions/ objections/ comments of the general public/stakeholders on the petition filed by the SLDC/BSPTCL and intimating that the Commission would hear the Case No.18/2021 on 08.02.2022through Video conference.

The public hearing, as scheduled was held on 08.02.2022 through Video Conference. The hearing was attended by the officials of the SLDC/BSPTCL and representative of Bihar Industries Association (BIA), Patna and Bihar Chamber of Commerce and Industries (BCCI), Patna and officials of BERC. No objections/comments were raised by the participants on the Tariff Petition filed by the SLDC/BSPTCL in the public hearing. No written objections/suggestions are received on SLDC business.

The list of participants of the public hearing is appended to this order as **Annexure-II**.

4. Truing up for FY 2020-21

4.1. Background

BSPTCL has submitted the present Tariff petition on dated 1st December, 2021 which includes True-up for FY 2020-21.

Regulation 13 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specify

13. True-Up and Annual Performance Review:

The Commission shall True-Up expenses of the previous year either as part of the Tariff order or issue Order/s for True-Up of expenses preceding the Tariff order of ensuing year.

(a) An order for True-Up of expenses shall be issued on annual basis.

(b) An order for True-Up of expenses shall be on the basis of expense estimates made in the beginning of the year under consideration, actual expenses booked in the audited books of accounts of the Transmission Licensee or SLDC, as the case may be, for the year, and after prudence check of data by the Commission.

The Petitioner has submitted that assets are owned by PGCIL and day to day operations of SLDC are managed by BSPTCL and separate accounts are maintained. The SLDC has not made available the audited accounts. SLDC has submitted a Statement of Revenue and Expenses (Trial balance for the period from 1st April 2020 to 31st March 2021) along with the petition which is not approved by the Board of Directors. Considering the fact that currently SLDC is managed and operated by BSPTCL and BSPTCL is preparing the consolidated annual accounts including the figures of SLDC, the Commission, based on the submissions and audited accounts of BSPTCL made available by the petitioner, has undertaken the truing up for FY 2020-21.

4.2. Capital Expenditure and Capitalisation

Petitioner's submission:

The Petitioner has submitted that the Commission in Tariff Order dated 20th March

2020 approved SAMAST project cost as Rs. 10.59 Crore. 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. The capital expenditure and capitalisation approved by the Commission and claimed in true up for FY 202-21 is shown in the Table below:

Table 4.1: Capital Expenditure and Capitalisation for FY 2020-21
(Rs. Crore)

Sl. No.	Parameter	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

Commission's analysis:

The Commission had approved the SAMAST project cost (Software and hardware including licensing, etc) at Rs.11.75 Crore through 100% PSDF grant funding and Civil works of Rs.0.30 crore through internal resources/equity in Tariff Order dated 15.02.2019 in Case no.45 of 2018 as given in the Table below.

Table 4.2: Capex, Capitalisation and funding approved for SAMAST project
(Rs. Crore)

Name of the work	Source of funding	Capital expenditure		Capitalisation
		2018-19	2019-20	2019-20
Software and hardware including licensing	100% PSDF grant	0.90	10.85	11.75
Civil works	Internal resources/Equity	0.30	--	0.30
Total		1.20	10.85	12.05

The Commission, in Tariff order dated 20.03.2020, has approved the revised project cost of SAMAST at Rs.10.59 crore with capex of Rs.3.20 Crore during FY 2019-20 and Rs.7.39 Crore during FY 2020-21 and capitalisation of entire capex of Rs. 10.59 Crore in FY 2020-21.

However, due to prevailing COVID-19 Pandemic, SLDC could not implement the project and achieve the capital expenditure as programmed and approved in Tariff order dated 20.03.2020 and accordingly submitted the revised capex plan as given below.

Particulars	2019-20	2020-21	2021-22	Total
Capital expenditure	2.77	5.70	2.12	10.59
Capitalisation	--	8.47	2.12	10.59

The Commission, accordingly approved the revised capex and capitalization plan, as above, in Tariff order dated 19.03.2021.

The Commission has approved capital expenditure of Rs.2.77 crore in truing up for FY 2019-20 in Tariff order dated 19.03.2021 and accordingly, the same is considered as opening CWIP in true up for FY 2020-21.

As per the Statement of accounts (i.e. trial balance for FY 2020-21) furnished by the SLDC, an amount of Rs.5.46 crore is incurred towards capital expenditure and an amount of Rs.8.22 crore is reported as capitalisation during FY 2020-21. The Commission accordingly considers the opening CWIP, capex and capitalisation during the year FY 2020-21 as detailed in the table below:

Table 4.3: Capex and capitalization approved for FY 2020-21 in true up
(Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in truing up by SLDC	Now approved in true up for FY 2020-21
1	Opening CWIP	3.20	2.77	2.77
2	Capex during the year	7.39	5.45	5.45
3	Capitalisation	10.59	8.22	8.22
4	Closing CWIP	--	--	--

4.3. Gross Fixed Assets

Petitioner's submission:

The Petitioner has submitted that there is no opening GFA for FY 2020-21. Addition to GFA during the year is considered based on the capitalisation of project. The petitioner has submitted the details of GFA claimed in truing up for FY 2020-21 as given in the table below:

Table 4.4: 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

Commission’s analysis:

The Commission, in Tariff order dated 19.03.2021 has not approved any amount towards Gross fixed assets in true up for FY 2019-20 and accordingly Nil value is considered as opening GFA for FY 2020-21 for true up. Addition to GFA during FY 2020-21 is considered as approved in Table 4.3 above.

The Commission accordingly considers the opening value of GFA, additions to GFA and closing value of GFA in true up for FY 2020-21 as given in the Table below

Table 4.5: Gross Fixed Assets (GFA) approved for FY 2020-21
(Rs. Crore)

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

4.4. Depreciation**Petitioner’s Submission**

The Petitioner has submission that 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.*
- (ii) *.....*
- (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 has submitted 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 and accordingly claimed depreciation based on annual accounts for FY 2020-21 in truing up as shown in the Table below:

Table 4.6: Depreciation 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
4	Average GFA	5.30	4.11
5	Depreciation	1.46	0.24

Commission's analysis

The Commission has computed the depreciation in terms of Regulation 23 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018.

The Rate of depreciation as specified in Appendix-III of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 on IT equipment is 15% and Software is @30%.

Regulation 23 (iii) BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specify 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.

CERC Regulation 33(3) Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

The Commission vide letter no.BERC-Tariff-Case No.18/21-987 dated 16-12.2021 directed the petitioner to furnish the asset-wise breakup details of Software and Hardware for the amount of Rs.8.22 crore capitalised in FY 2020-21. The petitioner in letter no. 552 dated 24.12.2021 had furnished the details of assets as given below:

Particulars	Amount (Rs. Crore)
Software and Licensing @ DC	6.11
Software and Licensing @ DRC	0.25
Hardware @ DC	1.07
Hardware @ DRC	0.79
Total	8.22

The Commission accordingly has considered the asset-wise details and computed the depreciation as per the applicable rate of depreciation in true up for FY 2020-21 as given below:

Table 4.7: Depreciation computed for FY 2020-21

(Rs. Crore)				
Particulars	Cost of assets capitalised during the year	Average GFA	Rate of Depreciation Appendix-III of BERC regulations 2018	Depreciation computed
Software including licensing	6.36	3.18	30%	0.95
Hardware including installation and testing	1.86	0.93	15%	0.14
Total	8.22	4.11		1.09

However, the petitioner has claimed depreciation at Rs.0.24 crore based on the Statement of accounts for FY 2020-21.

The Commission accordingly approves depreciation of Rs.0.24 crore for FY 2020-21 in true up as claimed by the petitioner which is less than the depreciation computed.

4.5. Interest and Finance Charges

Petitioner's submission:

SLDC has submitted that entire capitalisation relating to SAMAST project is funded through Internal Resource Funding (IRF). Regulation 24 (b) of BERC MYT Regulations, 2018, specifies 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.

.....”

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 4.8: Interest and Finance Charges claimed for FY 2020-21
(Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up for 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
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

Commission's analysis

The Commission has considered capitalisation of Rs.8.22 crore for FY 2020-21 relating to SAMAST (Software and hardware) and funding through internal resources i.e. equity.

The Commission, in terms of regulation 24 (b), has considered debt at Rs.5.75 crore (70% of Rs.8.22 crore) and equity at Rs.2.47 crore (30% of Rs.8.22 crore) for the purpose of computing interest on normative loans for FY 2020-21 in true up.

The Commission, in terms of regulation 24 (g), has considered rate of interest at

7.05% based on the SBI MCLR (1 year tenor) weighted average rate for FY 2020-21.

It is observed from the Statement of Revenue and Expenses for FY 2020-21 submitted by the Petitioner, an amount of Rs.1416-00 has been incurred towards other interest and finance charges against which the Petitioner has claimed Rs.0.01 crore. On a query, the Petitioner vide reply dated 24.12.2021 has submitted it has inadvertently claimed Rs.0.01 crore and requested to consider the actual of Rs.1416.00. The Commission has not considered the other interest and finance charges which has no impact on the ARR considered in true up since, the values are considered Rupees in crore.

The Commission accordingly computed the interest on loan for FY 2020-21 in true up as given in the Table below:

Table 4.9: Interest on loan approved for FY 2020-21 in true up
(Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21	Now approved in true up for FY 2020-21
1	Opening loan			
2	Addition during the year	7.41	5.75	5.75
3	Repayment during the year (equivalent to depreciation allowed during the year)	1.46	0.24	0.24
4	Closing loan (1+2-3)	5.95	5.51	5.51
5	Average Loan (1+4)/2	2.98	2.76	2.76
6	Rate of interest %	8.00%	7.05%	7.05%
7	Interest on loan (5*6)	0.24	0.19	0.19

The Commission approves interest on loan of Rs.0.19 crore for FY 2020-21 in true up as detailed in the Table above.

4.6. Return on Equity

Petitioner's submission:

SLDC has submitted that RoE is calculated in accordance with Regulation 22 of BERC MYT Regulations, 2018. The regulation 22 specifies;

"22. Return on Equity

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

(b)

(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.”

Regulation 27 Tax on Return on Equity specifies;

(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...”

It is submitted that SLDC has not considered any opening balance of equity for FY 2020-21 as no equity was claimed in Truing up for FY 2019-20. Equity addition during the year is considered at 30% based on the capitalisation. The rate of RoE is considered at 15.50%, in line with the Regulation 22 and MAT @17.47% in line with the actual MAT rate applicable for FY 2020-21 as per annual accounts.

The Petitioner has claimed Return on equity in truing up for FY 2020-21 as given in the table below:

Table 4.10: Return on Equity claimed for FY 2020-21

(Rs. Crore)

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed by SLDC in truing up for FY 2020-21
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%

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed by SLDC in truing up for FY 2020-21
7	Effective Rate of Return on Equity	-	18.78%
8	Return on Equity	0.30	0.23

Commission's analysis

The Commission has approved capitalisation of Rs.8.22 crore for FY 2020-21 relating to SAMAST (Software and hardware) and funding through Internal Resource Fund (IRF) i.e. Equity.

Regulation 22 (a) specifies Return on Equity shall be considered @30% of the project cost or actual equity, whichever is lower.

The Commission, in terms of regulation 22 (a), has considered Equity at 30% of the capitalisation and Debt at 70% of the Capitalisation as given hereunder:

Sl. No.	Particulars	Amount (Rs. Crore)
1	Capitalisation during the year 2020-21	8.22
2	Equity (@30% of sl.no.1)	2.47
3	Debt (@70% of sl.no.1)	5.75

The rate of return on equity, in terms of regulation 22 (c), is considered at 15.50% for FY 2020-21 in truing up. Tax (MAT) on RoE is not considered since, the petitioner has not incurred any tax expenses during FY 2020-21.

The Commission accordingly computed the RoE for FY 2020-21 in truing up as given in the Table below:

Table 4.11: Return on Equity approved for FY 2020-21 in truing up (Rs. Crore)

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed by SLDC in truing up for FY 2020-21	Now approved in true up for FY 2020-21
1	Opening Equity	-	-	--
2	Addition during the year	3.18	2.47	2.47
3	Closing Equity	3.18	2.47	2.47
4	Average Equity	1.59	1.23	1.23
5	Rate of Return on Equity	15.50%	15.50%	15.50%
6	MAT Rate%	-	17.47%	
7	Effective Rate of Return on Equity	-	18.78%	15.50%
8	Return on Equity	0.30	0.23	0.19

The Commission approves the Return on Equity for FY 2020-21 in true up as detailed in the Table above.

4.7. Operation and Maintenance expenses

Petitioner's submission:

The Petitioner has claimed O&M expenses of Rs.6.49 crore consisting of employee expenses (Rs.6.21 crore), Repairs and Maintenance expenses (Rs.0.01 crore) and A&G expenses (Rs.0.26 crore) for FY 2020-21 in true up as detailed in the Table below:

Table 4.12: O&M Expenses claimed for FY 2020-21

(Rs. Crore)			
Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed by SLDC for FY 2020-21 in true up
1	Employee cost	4.23	6.21
2	Repairs and Maintenance	0.08	0.01
3	A & G expenses	0.62	0.26
4	Total O&M cost	4.93	6.49

Commission's analysis:

The Commission has approved O&M expenses at Rs.4.93 crore for FY 2020-21 in Tariff order dated 20.03.2020. The Petitioner has submitted the Statement of Revenue and Expenses (Trial balance) for FY 2020-21. It is observed that O&M expenses claimed in true up are actual expenses reported through Statement of Revenue and Expenses and accordingly approved in true up for FY 2020-21. It is pertinent to state that BSPTCL is maintaining consolidated annual accounts and the O&M expenses considered for SLDC business are reduced from the O&M expenses of BSPTCL. However, in view of the fact that the O&M expenses for BSPTCL are considered based on determined norms, there will be no impact of O&M expenses of SLDC on the O&M expenses of BSPTCL considered in true up for FY 2020-21.

The Commission has considered the actual O&M expenses incurred by the Petitioner for FY 2020-21 and accordingly approved the O&M expenses for FY 2020-21 in the true up as detailed in the Table below:

Table 4.13: O&M Expenses approved in truing up for FY 2020-21**(Rs. Crore)**

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed by SLDC for FY 2020-21 in truing up	Approved for FY 2020-21 in true up
1	Employee cost	4.23	6.21	6.20
2	Repairs and Maintenance	0.08	0.01	0.01
3	A & G expenses	0.62	0.26	0.26
4	Total O&M cost	4.93	6.49	6.47

The Commission, accordingly, approves O&M expenses at Rs.6.47 Crore in truing up for FY 2020-21.

4.8. Non-tariff Income

Petitioner's submission

The Petitioner has submitted that it has earned Non-Tariff Income on account of STOA Charges, miscellaneous receipts, and application fees during FY 2020-21 and accordingly considered the Non-Tariff Income in Truing-up of FY 2020-21 as shown in the table below:

Table 4.14: Non-Tariff Income claimed for FY 2020-21**(Rs. Crore)**

Sl. No.	Particulars	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		0.02
4	Total Non-Tariff Income	0.12	0.41

Commission's analysis:

The Commission has considered the nontariff income as claimed by the petitioner for FY 2020-21 in truing up.

The Commission, accordingly, approves nontariff income at Rs.0.41 Crore in truing up for FY 2020-21.

4.9. Interest on working capital

Petitioner's submission

The Petitioner has submitted that normative working capital requirement is

computed in accordance with Regulation 26 of BERC (Multi Year Transmission Tariff & SLDC Charges) 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.”

Regulation 26 (b) specifies, for the purpose of True-up, the rate of interest shall be SBI weighted average one-year MCLR for concerned financial year and accordingly computed the weighted average of SBI 1-year MCLR for FY 2020-21 as given below:

Table 4.15: 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. Maintenance spares are considered at 15% of 1-month O&M expenses, in accordance with the Regulations.

The Petitioner, in accordance with the regulations, has claimed interest on working capital in truing up for FY 2020-21 as given in the table below.

Table 4.16: Interest on Working Capital claimed for FY 2020-21

(Rs. Crore)			
Sl. No.	Particulars	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

Commission's analysis:

The Commission has examined the computation of interest on working capital submitted by the Petitioner.

Regulation 26(b) of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specify, the Rate of interest on working capital for the purpose of truing up shall be weighted average MCLR of the concern Financial Year plus 150 basis points. The weighted average SBI (1 year tenor) MCLR worked out to 7.05%. Accordingly, the rate of interest on working capital is considered at 8.55% (7.05%+1.50% (i.e. 150 basis points)) in true up for FY 2020-21.

Maintenance spares are not considered for working capital since there are no assets owned by SLDC and the assets capitalised during FY 2020-21 represent Software and IT equipment for which annual maintenance charges (AMC) are to be paid as per petitioner's submissions.

The Commission, based on the expenses approved in truing up for FY 2020-21 has computed the working capital requirement and interest thereon, in terms of regulations, as given in the table below:

Table 4.17: Interest on working capital approved in truing up for FY 2020-21

(Rs. Crore)				
Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21	Now approved in true up for FY 2020-21
1	Receivables equivalent to two (2) months	1.16	1.26	1.14
2	O&M expenses of one (1) month	0.41	0.54	0.54
3	Maintenance spares @15% of O&M expenses for one month	0.06	0.08	--
4	Less: Depreciation, RoE, and contribution to contingency reserve equivalent to two months	0.29	0.08	0.07
5	Less: Amount of security deposits, if any held	--	--	--
6	Total working capital (1+2+3-4-5)	1.34	1.80	1.60
7	Rate of interest	9.50%	8.55%	8.55%
8	Interest on working capital (6*7)	0.13	0.15	0.14

The Commission approves interest on working capital at Rs.0.14 Crore in truing up for FY 2020-21 as detailed in the table above.

4.10. Sharing of Gains/(Losses) on account of variations

Petitioner's submission

The Petitioner has submitted that 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.”*

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

SLDC submitted 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 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 submitted 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 4.18: Sharing of gains/(losses) for Working Capital for FY 2020-21

			(Rs. Crore)
SI.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

Commission's analysis:

Regulation 21 (a) of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specifies that *the Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz. Employee cost, Repairs and Maintenance (R&M) expense and Administration and General (A&G) expense. Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.*

The Regulations do not prescribe or direct to specify or determine norms for the SLDC business. The SLDC is neither a transmission licensee nor functions fall under the ambit of transmission licensee. Further, the regulations specify norms shall be determined based on lines (Ckt KM), Substations, etc. SLDC does not own any lines and substations. Hence, regulations 9 and 10 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 are not applicable for SLDC business.

Section 32 of the Electricity Act 2003 defines the functions of the SLDC, according to the section 32, the SLDC is an apex body for monitoring the grid operations and 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, maintenance of accounts of the quantity of electricity transmitted through the State grid, exercise supervision and control over the intra-state transmission system and 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.*

The Petitioner has proposed sharing of gains/losses on account of variation in interest on working capital approved in Tariff order dated 20.03.2020 vis-à-vis approved in truing up for FY 2020-21. The working capital requirement and interest on working capital are dependent on the ARR which includes the O&M expenses which constitutes around 95% of the ARR approved in truing up for FY 2020-21. Since the gains/losses due to variations in O&M expenses are not considered for sharing, the dependant Interest on Working Capital is also not considered.

4.11. Annual Revenue Requirement (ARR)

Petitioner's submission

The Petitioner has claimed annual revenue requirement in true up of FY 2020-21 as detailed in the Table below:

Table 4.19: Aggregate Revenue Requirement (ARR) claimed for FY 2020-21

(Rs. Crore)

Sl. No.	Particulars	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

Commission's analysis:

Based on the detailed analysis, the ARR/SLDC charges considered by the Commission in true up for FY 2020-21 are as detailed in the Table below:

Table 4.20: Aggregate Revenue Requirement (ARR) approved in truing up for FY 2020-21

(Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in True up of FY 2020-21	Now approved in true up for FY 2020-21
1	Employee expenses	4.23	6.21	6.20
2	R&M expenses	0.08	0.01	0.01
3	A&G Expenses	0.62	0.26	0.26
4	Depreciation	1.46	0.24	0.24
5	Interest on loans	0.24	0.19	0.19
6	Other finance charges		0.01	
7	Return on Equity	0.30	0.23	0.19
8	Interest on working capital	0.13	0.15	0.14
9	Gross ARR	7.06	7.30	7.23
10	Less: Sharing of Gains and losses		0.10	
10	Less: Non-tariff income	0.12	0.41	0.41
11	Net ARR	6.94	6.80	6.82

The Commission approves ARR at Rs.6.82 Crore in truing up for FY 2020-21.

4.12. Revenue Gap / (Surplus) for FY 2020-21

Petitioner's submission:

The Petitioner has submitted that the Commission vide Tariff Order dated 20th March 2020 approved ARR for FY 2020-21 at 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 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 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 4.21: Revenue Gap/ (Surplus) claimed for FY 2020-21

(Rs. Crore)

Sl. No.	Particulars	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
4	Less: SLDC charges received	7.55	7.55
5	Revenue Gap / (Surplus) for the year (3-4)	0.00	(0.14)

Commission's analysis:

The Commission, based on the detailed analysis, has considered the net revenue gap/(surplus) in true up for FY 2020-21 as detailed in the Table below:

Table 4.22: Revenue Gap/(Surplus) approved in truing up for FY 2020-21

(Rs. Crore)

Sl. No.	Particulars	Approved in Tariff Order dated 20.03.2020	Claimed by SLDC for FY 2020-21	Approved in truing up for FY 2020-21
1	Aggregate Revenue Requirement approved in True up	6.94	6.80	6.82
2	Add: True up revenue gap of FY 2018-19 with carrying cost	0.61	0.61	0.61
3	Sub-total (1+2)	7.55	7.41	7.43
4	SLDC charges received in FY 2020-21	7.55	7.55	7.55
5	Revenue Gap / (Surplus) (3-4)	--	(0.14)	(0.12)

The Commission approves **Revenue Surplus** at Rs.0.12 crore for FY 2020-21 in truing up as detailed in the table above.

The Regulation 13(f) of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specifies *“the revenue gap/surplus arising out of truing up shall be considered by the Commission while determining the ARR of ensuing year(s). the Commission may allow the carrying costs.....”*.

Accordingly, the revenue surplus of Rs.0.12 crore arising out of the truing up for FY 2020-21 is adjusted in the ARR for FY 2022-23 along with applicable carrying cost.

5. Annual Performance Review (APR) for FY 2021-22

5.1. Background

BSPTCL has submitted the present petition dated 1st December, 2021 which includes Annual Performance review for FY 2021-22.

Regulation 13 (d) of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specify *“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”*. Accordingly, the “Review” exercise for FY 2021-22 has been undertaken by the Commission on the basis of revised estimates for FY 2021-22 submitted by the Petitioner.

5.2. Capital expenditure

Petitioner’s submission:

The Petitioner has projected capital expenditure and capitalisation for FY 2021-22 (RE) as given in the Table below:

Table 5.1: Capital Expenditure and Capitalization projected in APR of FY 2021-22

(Rs. Crore)

Sl. No.	Particulars	Approved in Tariff Order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
1	Capital Expenditure	2.12	2.37
2	Capitalisation	2.12	2.37

Commission’s analysis:

The Commission has approved a total capital expenditure of Rs.10.59 crore towards Software and Hardware cost of SAMAST project in Tariff order dated 20.03.2020 against which the Commission has approved capex and capitalisation of Rs.8.22 crore to end of FY 2020-21 in truing up. The Petitioner has estimated the balance capital expenditure of Rs.2.37 crore to be invested during the FY 2021-22 and capitalisation in the same year. The Commission considers the balance capex of

Rs.2.37 crore and capitalisation thereon towards Software and Hardware cost in review for FY 2021-22 in view of approval of total project cost of SAMAST project for Rs.10.59 crore in Tariff order dated 20.03.2020.

The Commission, provisionally, approves the capital expenditure and capitalisation plan for FY 2021-22 as detailed in the Table below:

Table 5.2: Capital expenditure and capitalisation considered for FY 2021-22

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff Order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Capital Expenditure	2.12	2.37	2.37
2	Capitalisation	2.12	2.37	2.37

5.3. Gross Fixed Assets

Petitioner's submission:

The Petitioner has submitted that opening balance of GFA for FY 2021-22 is considered as per the closing balance of FY 2020-21. Capitalisation is estimated at Rs.2.37 crore for FY 2021-22. The Petitioner has accordingly arrived at the closing balance of Gross Fixed Asset for FY 2021-22 as given in the table below:

Table 5.3: GFA projected for FY 2021-22

(Rs. Crore)			
Sl. No	Particulars	Approved in TO dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
1	Opening GFA	8.47	8.22
2	Addition during the year	2.12	2.37
3	Closing GFA	10.59	10.59

Commission's analysis:

The Commission has approved Rs.8.22 crore as closing balance of GFA in true up for FY 2020-21 and the same is considered as opening GFA for FY 2021-22. Additions to GFA during the year is considered at Rs.2.37 crore based on the capitalisation considered for FY 2021-22 as approved in Table 5.2 above.

The Commission considers the opening GFA, additions to GFA during the year and closing GFA for FY 2021-22 in review as detailed in the Table below:

Table 5.4: Gross Fixed Assets considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff Order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Opening GFA	8.47	8.22	8.22
2	Additions during the year	2.12	2.37	2.37
3	Closing GFA	10.59	10.59	10.59

The Commission accordingly considers the GFA for FY 2021-22 in review as detailed in the table above

5.4. Depreciation

Petitioner's submission

The Petitioner has submitted that depreciation is calculated in accordance with Regulation 23 of BERG MYT Regulations, 2018.

"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.*
- (ii)*
- (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."*

The Petitioner has submitted that it has considered weighted average rate of depreciation at 26.26% as considered by the Commission in Tariff order dated 19.03.2021 and calculated depreciation for FY 2021-22 as shown in the Table below:

Table 5.5: Depreciation projected for FY 2021-22
(Rs. Crore)

Sl. No	Particulars	Approved in Tariff Order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
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

Commission's analysis

The Commission has computed the depreciation in terms of Regulation 23 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018.

The Rate of depreciation specified in Appendix-III of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 on IT equipment is 15% and Software is @30%.

The Commission has approved closing value of depreciable assets at Rs.8.22 crore for FY 2020-21 in truing up and the same is considered as opening depreciable assets for FY 2021-22. Addition to assets is considered at Rs.2.37 crore based on the capitalisation as considered in Table 5.4 above.

The Commission vide letter no.BERC-Tariff-Case No.18/21-987 dated 16-12.2021 directed the petitioner to furnish the asset-wise breakup details of Software and Hardware for the amount of Rs.2.37 crore estimated capitalisation during FY 2021-22. The petitioner in letter no. 552 dated 24.12.2021 had furnished the details of assets of IT equipment and Software as given below:

Particulars	Amount (Rs. Crore)
Software and Licensing @ DC	1.53
Hardware @ DC	0.27
Software and Licensing @ DRC	0.06
Hardware @ DRC	0.51
Total	2.37

The Commission accordingly has considered the asset-wise details and computed the depreciation as per the applicable rate of depreciation for FY 2021-22 in review as given below:

Table 5.6: Depreciation considered for FY 2021-22 in review

(Rs. Crore)

Particulars	Opening Assets for FY 2021-22	Additions during the year	Closing Assets for FY 2021-22	Average Assets	Rate of Depreciation Appendix-III of BERC regulations 2018	Depreciation considered in review for FY 2021-22
A	B	C	D=B+C	E=(B+D)/2	F	G=E*F
Software	6.36	1.59	7.95	7.16	30%	2.15
Hardware	1.86	0.78	2.64	2.25	15%	0.34
Total	8.22	2.37	10.59	9.41		2.49

The Commission accordingly considers depreciation for FY 2021-22 in review as detailed in the table above.

5.5. Interest and Finance Charges

Petitioner's submission:

SLDC has submitted that entire capitalisation relating to SAMAST project is funded through Internal Resource Funding (IRF). Regulation 24 (b) of BERC MYT Regulations, 2018, specifies 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.

....."

Accordingly, 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.”

The rate of interest has been considered as per the above Regulation, as the one-year MCLR rate of 7.00%. The calculation of interest on normative loan is as given in the table below:

Table 5.7: Interest and Finance Charges projected for FY 2021-22
(Rs. Crore)

Sl. No.	Particulars	Approved in TO dated 19.03.2021	Projected by SLDC for FY 2021-22 in review
1	Opening Loan	4.82	5.51
2	Addition during the year	1.48	1.66
3	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

Commission’s analysis

The Commission has considered opening loan balance at Rs.5.51 crore for FY 2021-22 based on the closing loan balance approved in true up for FY 2020-21. Addition to loan is considered in debt equity ratio of 70 : 30 based on the capitalisation considered during FY 2021-22 as indicated below:

Particulars	Amount (Rs. Crore)
Capitalisation during the year FY 2021-22	2.37
Equity @30% of above	0.71
Debt @70% of above	1.66

The Commission, in terms of regulation 24 (g), has considered rate of interest at 7.00% based on the SBI MCLR (1 year tenor) for FY 2021-22. Repayment of loan during the year is considered equal to the depreciation allowed for the year as specified in regulation 24 (e).

The Commission accordingly computed the interest on loan for FY 2021-22 in review as given in the Table below:

Table 5.8: Interest on loan considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in TO dated 20.03.2020	Projected by SLDC for FY 2021-22 (RE)	Considered in review for FY 2021-22
1	Opening Loan	4.82	5.51	5.51
2	Addition during the year	1.48	1.66	1.66
3	Repayment (Equal to Depreciation)	2.50	2.47	2.49
4	Closing Loan (1+2-3)	3.80	4.70	4.68
5	Average Loan (1+4)/2	4.31	5.10	5.10
6	Interest Rate (%)	7.00%	7.00%	7.00%
7	Interest on Loan (5*6)	0.30	0.36	0.36

The Commission considers interest on loan of Rs.0.36 crore for FY 2021-22 in review as detailed in the Table above.

5.6. Return on Equity

Petitioner's submission:

SLDC has submitted that RoE is calculated in accordance with Regulation 22 of BERC MYT Regulations, 2018. The regulation 22 specifies;

"22. Return on Equity

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

(b)

(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."

Regulation 27 Tax on Return on Equity specifies;

(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...”

The Petitioner has submitted that opening equity for FY 2021-22 is considered as per closing equity balance of FY 2020-21. Equity addition during the year is considered at 30% based on the estimated capitalisation. The rate of RoE is considered at 15.50%, in line with the Regulation 22 and MAT @17.47% in line with the actual MAT rate applicable for FY 2020-21 as per audited accounts.

The Petitioner has claimed Return on equity for FY 2021-22 in review as given in the table below:

Table 5.9: Return on Equity projected for FY 2021-22

(Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Projected by SLDC in review for FY 2021-22
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	-	18.78%
8	Return on Equity	0.44	0.53

Commission's analysis

The Commission has approved closing equity balance at Rs.2.47 crore for FY 2020-21 in truing up and same is considered as opening equity balance for FY 2021-22.

The Commission, in terms of regulation 22 (a), has considered Equity at 30% of the capitalisation and Debt at 70% of the Capitalisation as given hereunder:

Particulars	Amount (Rs. Crore)
Capitalisation during the year FY 2021-22	2.37
Equity @30% of above	0.71
Debt @70% of above	1.66

The rate of return on equity, in terms of regulation 22 (c), is considered at 15.50% for FY 2021-22. Tax (MAT) on RoE is not considered since, the petitioner has not incurred any tax expenses during previous years.

The Commission accordingly computed the RoE for FY 2021-22 in review as given in the Table below:

Table 5.10: Return on Equity considered for FY 2021-22 in review

(Rs. Crore)

Sl. No	Particulars	Approved in TO dated 19.03.2021	Projected by SLDC for FY 2021-22 in review	Considered in review for FY 2021-22
1	Opening Equity	2.54	2.47	2.47
2	Addition during the year	0.64	0.71	0.71
3	Closing Equity	3.18	3.18	3.18
4	Average Equity	2.858	2.83	2.82
5	Rate of Return on Equity	15.50%	15.50%	15.50%
6	MAT Rate%		17.47%	
7	Effective Rate of Return on Equity	15.50%	18.78%	15.50%
8	Return on Equity	0.44	0.53	0.44

The Commission approves the Return on Equity for FY 2021-22 in review as detailed in the Table above.

5.7. Employee Cost**Petitioner's submission:**

The Petitioner has submitted that the employee expenses primarily include 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.

The Petitioner, in term of regulation 21.1, has considered an increase of 6.00% based on CPI Index points over actual employee expenses of FY 2020-21 and projected the employee expenses for FY 2021-22 as shown in the Table below:

Table 5.11: Employee Expenses projected for FY 2021-22

(Rs. Crore)			
Sl. No.	Particulars	Approved in TO dated 19.03.2021	Projected by SLDC for FY 2021-22 in review
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

Commission's analysis:

The Commission has approved employee expenses at Rs.6.20 crore in true up for FY 2020-21 and the same is considered as base year employee expenses and further estimated with CPI inflationary indexation of 6% as given below.

Table 5.12: CPI Inflationary increase considered for FY 2021-22

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Annual Average CPI index	284.42	299.92	322.50	338.69
Year on year increase		5.45%	7.53%	5.02%
Annual Average WPI index				6.00%

The Commission has considered the employee expenses for FY 2021-22 in review as detailed in the Table below:

Table 5.13: Employee expenses considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Employee expenses for FY 2020-21	5.37	6.21	6.20
2	Indexation	5.35%	6.00%	6.00%
3	Add: Inflationary increase (1*2)	0.29	0.37	0.37
4	Employee expenses for FY 2021-22 (1+3)	5.66	6.58	6.57

The Commission, accordingly, considers the employee expenses at Rs.6.57 crore for FY 2021-22 in review.

5.8. Repairs and Maintenance (R&M) Expenses

Petitioner's submission:

The Petitioner has submitted that regulation 21.2 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 specifies provisions for computation of R&M expenses extracted 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:

$$R\&Mn = Kb * GFAn$$

Where:

R&Mn : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

Kb : Percentage point as per the norm.

It is submitted that the Commission has not approved the norms and 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 5.14: R&M Expenses projected for FY 2021-22**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
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

Commission's analysis

The Commission has approved Rs.0.01 crore towards R&M expenses on office equipment in true up for FY 2020-21. The Petitioner has submitted that the SLDC assets are owned by PGCIL and the cost of which is recovered from the Discoms. Similarly, R&M expenses on those assets shall also to be recovered by PGCIL from Discoms. The Commission opines that the R&M expenses claimed by SLDC in true up is one-time expenses incurred on office equipment. As such the Commission considers Rs.0.01 crore towards R&M expenses for FY 2021-22 in review and the actual expenses incurred and reported through accounts shall be considered at the time of truing up for FY 2021-22.

Further, the Commission considers the AMC expenses of Rs.0.33 crores for Phase-1 and Rs.0.37 crore for Phase-2 of SAMAST project.

The Commission, accordingly, considers R&M expenses for FY 2021-22 in review as detailed in the Table below:

Table 5.15: R&M expenses considered for FY 2021-22 in review**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Opening GFA		8.22	
2	Percentage Point		0.34%	
3	R&M Expenses (Without AMC)		0.03	0.01
4	AMC cost for SAMAST Phase 1		0.33	0.33
5	AMC Cost for SAMAST Phase 2 (Software)		0.37	0.37
6	Total R&M expenses	0.37	0.73	0.71

The Commission considers R&M expenses at Rs.0.71 Crore for FY 2021-22 in review.

5.9. Administration and General (A&G) Expenses

Petitioner's submission:

The Petitioner has submitted that 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 BERC MYT Regulations, 2018 provides for escalation of base value norms for consideration of A&G Expenses as extracted hereunder:

"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 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 5.16: WPI: CPI Inflation considered by the petitioner

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%

The Petitioner has considered the inflation rate of 3.85% on base values for computation of A&G expenses for FY 2021-22 and projected the A&G expenses for FY 2021-22 as given in the table below.

Table 5.17: A&G expenses projected for FY 2021-22**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
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

Commission's analysis:

Regulation 21.3 specifies "till the norms of A&G expenses is specified by the Commission, the actual historical cost will be considered for determination of A&G expenses". The Commission has not determined norms for the A&G expenses for SLDC business.

The regulation also specifies that the A&G expense shall be computed and governed by the following formula:

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

It is to state that, according to the formula, at first A&G expense norm shall be determined and the determined A&G expense norm shall be escalated by WPI and CPI in the ratio of 60 : 40 and the resultant value (A&G norm) shall be considered as base value and further escalated with WPI inflation computed based on immediately preceding three years. Since, the actual expenses approved in true up for FY 2020-21 is considered as base value, the same shall be further escalated with WPI inflationary indexation and accordingly consider the A&G expenses for FY 2021-22. As such the WPI inflationary indexation is worked out as given hereunder:

Table 5.18: WPI Inflation index considered

Particulars	FY2017-18	FY2018-19	FY2019-20	FY2020-21
Annual Average WPI index	114.88	119.79	121.80	123.38
Year on year increase		4.28%	1.68%	1.29%
Annual Average WPI index				2.42%

The Commission, in view of the regulation 21.3, has considered the A&G expenses approved in true up for FY 2020-21 as base A&G expenses for FY 2021-22 and further estimated with WPI inflationary indexation at 2.42% as detailed in the Table below:

Table 5.19: A&G expenses considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Base year A&G expenses	0.34	0.26	0.26
2	Indexation %	3.91%	3.85%	2.42%
3	Inflationary increase	0.02	0.01	0.01
4	A&G Expenses	0.35	0.27	0.27

The Commission considers A&G expenses at Rs.0.27 Crore for FY 2021-22 in review.

5.10. Summary of Operation and Maintenance (O&M) Expenses

The O&M expenses claimed by the Petitioner and considered by the Commission for FY 2021-22 in review are as detailed in the Table 5.20 below:

Table 5.20: Total O&M expenses considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Employee cost	5.66	6.58	6.57
2	R&M expenses	0.37	0.73	0.71
3	A&G Expenses	0.35	0.27	0.27
5	Total O& M cost	6.38	7.58	7.55

The Commission considers total O&M expenses at Rs.7.55 Crore for FY 2021-22 in review.

5.11. Non-tariff income

Petitioner's submission:

The Petitioner has submitted that it has earned Non-Tariff Income on account of STOA Charges amounting to Rs. 0.089 Crore, Application fee for registration of users of SLDC Rs.0.032 crore and miscellaneous receipts Rs. 0.023 Crore totalling to Rs.0.144 crore till September 2021. It is further submitted that total Non-Tariff Income for FY 2021-22 SLDC is projected by considering the same amount of Non-Tariff Income of 1st half year.

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

Table 5.21: Non-Tariff Income projected for FY 2021-22**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
1	STOA Charges		0.18
2	Miscellaneous Receipts		0.05
3	Application fee received		0.06
4	Non-Tariff Income	0.21	0.29

Commission's analysis:

The Commission provisionally considers the nontariff income, as projected by the Petitioner, for FY 2021-22 in review subject to true up.

The Commission considers Nontariff income at Rs.0.29 Crore for FY 2021-22 in review.

5.12. Interest on working capital**Petitioner's submission:**

The petitioner has submitted that the working capital requirement has been arrived at 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.”

It is submitted that in accordance with the provisions interest on working capital for FY 2021-22 is computed. 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 accordingly 8.50% (SBI MCLR rate of 7.00% (w.e.f.15.09.2021) plus 150 basis points) for computation of interest on working capital for the FY 2021-22 as shown in the Table below:

Table 5.22: Interest on Working Capital projected for FY 2021-22**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
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

Commission's analysis

The Commission has examined the computation of interest on working capital submitted by the Petitioner. The Petitioner has considered the working capital as per Regulations and adopted rate of interest @8.50% for computing interest on working capital for FY 2021-22.

The Commission has computed the working capital and interest on working capital based on the expenses approved at an interest rate of 8.50% for FY 2021-22 in review as given in the Table below:

Table 5.23: Interest on working capital considered for FY 2021-22 in review**(Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	Receivables equivalent to two (2) months	1.60	1.80	1.79
2	O&M Expenses of one month	0.53	0.63	0.63
3	Maintenance spares @15% of 1-month O&M expenses	0.07	0.09	0.09
4	Less: Depreciation and RoE for 2 months	0.49	0.50	0.49
5	Total Working Capital	1.71	2.03	2.02
6	Rate of Interest on Working Capital (%)	8.50%	8.50%	8.50%
7	Interest on Working Capital	0.15	0.17	0.17

The Commission considers the interest on working capital at Rs.0.17 Crore for FY 2021-22 in review.

5.13. Annual Revenue Requirement for FY 2021-22 (RE)**Petitioner's submission:**

The Petitioner has projected the ARR for FY 2021-22 as given in the table below:

Table 5.24: ARR projected for FY 2021-22 in review

(Rs. Crore)			
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)
1	O&M cost	6.38	7.58
a	Employee cost	5.66	6.58
b	R&M expenses	0.37	0.73
c	A&G expenses	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

Commission's analysis:

The Commission based on the analysis has computed the ARR for FY 2021-22 in review as given in the Table below:

Table 5.25: ARR considered for FY 2021-22 in review

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered for FY 2021-22 in review
1	O&M cost	6.38	7.58	7.55
a	Employee cost	5.66	6.58	6.57
b	R&M expenses	0.37	0.73	0.71
c	A&G expenses	0.35	0.27	0.27
2	Depreciation	2.50	2.47	2.49
3	Interest on Loan Capital	0.30	0.36	0.36
4	Interest on Working Capital	0.15	0.17	0.17
5	Return on Equity	0.44	0.53	0.44
6	Less: Non-Tariff Income	0.21	0.29	0.29
7	Total ARR	9.57	10.82	10.72

The Commission considers ARR at Rs.10.72 Crore for FY 2021-22 in review as detailed in the table above.

5.14. Revenue Gap / (Surplus) for FY 2021-22 (RE)**Commission's analysis:**

The Commission, based on the detailed analysis of the projections made by the Petitioner, has arrived at the ARR for FY 2021-22 in review (RE) as detailed in the Table below:

Table 5.26: Revenue Gap / (Surplus) considered for FY 2021-22 (RE)

(Rs. Crore)				
Sl. No.	Particulars	Approved in Tariff order dated 19.03.2021	Projected by SLDC for FY 2021-22 (RE)	Considered in review for FY 2021-22
1	Aggregate Revenue Requirement for FY 2021-22	9.57	10.82	10.72
2	Add: Trued up revenue gap of FY 2019-20 with carrying cost approved in the Tariff Order dated 19.03.2021	0.56	0.56	0.56
3	Sub-total (1+2)	10.13	11.38	11.28
4	SLDC Charges to be realized from Discoms	10.13	10.13	10.13
5	Revenue Gap / (Surplus) for FY 2021-22 (3-4)	--	1.25	1.15

The Commission considers Revenue gap of Rs.1.15 Crore in review for FY 2021-22 as given in the above table.

The Revenue Gap / (Surplus) ARR of FY 2021-22 considered based on revised estimates (RE) of financial and operational performance is not considered in view of Regulation 13 (f) of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 which stipulates "... the revised estimated gap/surplus as a result of APR may or may not be passed in the ARR of ensuring year". Accordingly, the revenue Gap of Rs.1.15 Crore is not considered to be carried forward in the ARR of FY 2022-23.

6. Annual Revenue Requirement (ARR) for the control period FY 2022-23 to FY 2024-25 and SLDC charges for FY 2022-23

6.1. Background

The Petitioner has submitted the petition on 1st December 2021 for approval of Annual Revenue Requirement (ARR) for the control period FY 2022-23 to FY 2024-25 and SLDC operating charges for FY 2022-23. The Commission has undertaken determination of ARR in accordance with BERC (Multi Year Transmission Tariff and SLDC charges) Regulations, 2021.

6.2. Capital Investment Plan

Petitioner's submission:

The Petitioner has submitted that for smooth operation and uninterrupted working of SLDC, the following capital investment is proposed as detailed hereunder:

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 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 capital investment and capitalisation for the control period as given in the Table below:

Table 6.1: Capex and Capitalisation projected 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		
2	UPS Battery set for SAMAST server			0.044	
3	Implementation of UNMS		0.40		
4	Total capex		0.45	0.044	
5	Capitalisation		0.45	0.044	

Commission's analysis:

The Commission has approved SAMAST project cost of Rs.10.59 crore in Tariff order dated 20.03.2020 against which capitalisation of Rs.8.22 crore was approved in true up for FY 2020-21 and Rs.2.37 crore was considered for FY 2021-22.

The Petitioner has projected the capex and capitalisation of Rs.0.45 crore and Rs.0.04 crore for FY 2022-23 and FY 2023-24 respectively for ancillary equipment for SAMAST. The Commission vide letter no. BERC-Tariff-Case No.18/2021-987 dated 18.12.2021 directed the petitioner to furnish the details of cost of software and hardware. The Petitioner vide letter no.552 dated 24.12.2021 has furnished the details of cost of software and cost of hardware. The Petitioner has submitted that 'Implementation of UNMS' will be undertaken by M/s. PGCIL and requested to exclude the Capital investment of Rs.0.40 Crore projected for 'Implementation of UNMS' from the Capital Investment Plan submitted for the Control Period.

The Commission, in view of the deliberations above, has considered capex and capitalisation for the control period as detailed in the table below:

Table 6.2: Capex and Capitalisation approved 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		
2	UPS Battery set for SAMAST server			0.044	
3	Total capex		0.048	0.044	
4	Capitalisation		0.048	0.044	

6.3. Gross Fixed Assets**Petitioner's submission:**

The Petitioner has projected the GFA for the control period as given in the table below:

Table 6.3: Gross Fixed Assets projected for 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	Additions to GFA	0.45	0.04	--
3	Closing GFA (1+2)	11.04	11.08	11.08

Commission's analysis

The Commission has considered opening value of GFA for FY 2022-23 based on the closing value of GFA considered in review for FY 2021-22. Addition to GFA is considered based on the capitalisation approved year on year and accordingly GFA for the control period is approved as given in the Table below:

Table 6.4: Gross Fixed Assets approved for control period**(Rs. Crore)**

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening GFA	10.59	10.64	10.68
2	Additions to GFA	0.05	0.04	0.00
3	Closing GFA (1+2)	10.64	10.68	10.68

6.4. Depreciation**Petitioner's submission:**

The Petitioner has submitted that depreciation is calculated 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.”

It is submitted that depreciation is computed for each year of the Control Period considering weighted average depreciation rate on average depreciable GFA. Rate of depreciation is considered at 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 further submitted that assets of SAMAST project would be fully depreciated during FY 2024-25 and accordingly has considered the depreciation for assets of SAMAST project in FY 2024-25 till the original cost of the asset as given in the table below.

Table 6.5: 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

Commission’s analysis

The Commission has computed the depreciation for the control period in terms of Regulation 23 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021. The rate of depreciation on Software and IT equipment (Hardware) as per Appendix-III of the regulations are at 30% and 15% respectively. The Commission accordingly has computed the depreciation for the control period as given below:

Table 6.6: Depreciation approved for FY 2022-23 of the control period**(Rs. Crore)**

Particulars	Rate of Depreciation	Opening Assets	Additions during the year	Closing Assets	Average Assets	Depreciation approved	Accumulated depreciation
Software	30%	7.95		7.95	7.95	2.39	5.49
Hardware	15%	2.64	0.05	2.69	2.67	0.40	0.88
Total		10.59	0.05	10.64	10.62	2.79	6.36

Table 6.7: Depreciation approved for FY 2023-24 of the control period**(Rs. Crore)**

Particulars	Rate of Depreciation	Opening Assets	Additions during the year	Closing Assets	Average Assets	Depreciation approved	Accumulated depreciation
Software	30%	7.95		7.95	7.95	2.39	7.87
Hardware	15%	2.69	0.04	2.73	2.71	0.41	1.28
Total		10.64	0.04	10.68	10.66	2.79	9.16

Table 6.8: Depreciation approved for FY 2024-25 of the control period**(Rs. Crore)**

Particulars	Rate of Depreciation	Opening Assets	Additions during the year	Closing Assets	Average Assets	Depreciation approved	Accumulated depreciation
Software	30%	7.95		7.95	7.95	0.08	7.95
Hardware	15%	2.73		2.73	2.73	0.41	1.69
Total		10.68	0.00	10.68	10.68	0.49	9.64

The Commission, accordingly, approves depreciation for the control period as detailed in the Tables above.

6.5. Interest on loan

Petitioner's submission:

The Petitioner has submitted that it 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. Addition to loan is considered at 70% of capitalisation projected for FY 2022-23 to FY 2024-25. Repayment of loan is considered equal to depreciation as specified in Regulation 24 (e). The rate of interest has been considered, as per Regulation 24(g), as the one-year MCLR rate of 7.00% as on 15.09.2021.

The Petitioner has projected the interest on loan for the control period as given in the table below:

Table 6.9: 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	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

Commission's analysis:

The Commission has considered opening loan balance at Rs.4.68 crore for FY 2022-23 based on the closing loan balance considered in review for FY 2021-22. Addition to loan is considered in debt equity ratio of 70 : 30 based on the capitalisation considered during the control period of FY 2022-23 to FY 2024-25 as indicated below:

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Capitalisation during the year	0.048	0.044	0.000
Equity @30% of above	0.014	0.013	0.000
Debt @70% of above	0.034	0.031	0.000

The Commission, in terms of regulation 24 (g), has considered rate of interest at 7.00% based on the SBI MCLR (1 year tenor) for the control period. Repayment of loan is considered equal to the depreciation allowed for the year as specified in regulation 24 (e).

The Commission accordingly computed the interest on loan for the control period as given in the Table below:

Table 6.10: Interest on loan approved for the control period

(Rs. Crore)				
Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening loan	4.68	1.93	0.00
2	Addition during the year	0.03	0.03	0.00
3	Repayment during the year (equivalent to depreciation allowed during the year)	2.79	2.79	
4	Closing loan (1+2-3)	1.93	0.00	0.00
5	Average Loan (1+4)/2	3.31	0.97	
6	Rate of interest %	7.00%	7.00%	
7	Interest on loan (5*6)	0.23	0.07	--

The Commission approves interest on loan for the control period as detailed in the Table above.

6.6. Return on Equity

Petitioner's submission:

The Petitioner has submitted that RoE is calculated in accordance with Regulation 22 of BERC MYT Regulations 2021, as extracted below:

"22. Return on Equity

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

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

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."

The Petitioner has submitted that opening balance of equity for FY 2022-23 is considered same as the closing balance of equity for FY 2021-22. Addition of equity

during the Control Period has been arrived at 30% of capitalisation proposed for the control period. Rate of Return on Equity is considered as 15.50% in line with the Regulation 22 and 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 Petitioner has computed the Return on Equity (RoE) for the control period as given in the table below:

Table 6.11: 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

Commission's analysis:

The Commission has considered opening equity at Rs.3.18 crore for FY 2022-23 based on the closing equity considered in review for FY 2021-22. Equity addition is considered in debt equity ratio of 70 : 30 based on the capitalisation considered during the control period of FY 2022-23 to FY 2024-25 as indicated below:

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Capitalisation during the year	0.048	0.044	--
Equity @30% of above	0.014	0.013	--
Debt @70% of above	0.034	0.031	--

The Commission, in terms of regulation 22 (c), has considered rate of Return on Equity at 15.50% for the control period. Tax on RoE is not considered since, the petitioner has not incurred/paid any amount towards tax/MAT during the previous years. The Commission accordingly computed the return on equity for the control period as given in the Table below:

Table 6.12: Return on Equity approved for the control period**(Rs. Crore)**

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Equity	3.18	3.19	3.20
2	Addition during the year	0.01	0.01	0.00
3	Closing Equity (1+2)	3.19	3.20	3.20
4	Average Equity (1+3)/2	3.18	3.20	3.20
5	Rate of Return on Equity %	15.50%	15.50%	15.50%
6	Return on Equity (4*5)	0.49	0.50	0.50

The Commission approves return on equity for the control period as detailed in the Table above.

6.7. Employee expenses

Petitioner's submission:

The Petitioner has submitted that in terms of regulation 21.1 of BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021 has computed approved norm escalated by CPI for immediately preceding three years at 6.00% It is further submitted that the employee expenses projected in the APR of FY 2021-22 is considered as base year employee expenses for projecting employee expenses for the control period.

The Petitioner has projected the employee expenses for the control period as detailed in the table below:

Table 6.13: 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

Commission's analysis:

Regulation 21 (a) of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021 specifies that *the Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz. Employee cost, Repairs and Maintenance (R&M) expense and Administration and General (A&G) expense.*

Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.

The Regulations do not prescribe or direct to specify or determine norms for the SLDC business. The SLDC is neither a transmission licensee nor functions of SLDC fall under the ambit of transmission licensee. Further, the regulations specify norms shall be determined based on lines (Ckt KM), Substations, no. of personnel, etc. SLDC does not own any lines and substations. As such, the Commission has not proposed/determined norms for O&M expenses for the control period.

Regulation 21.1 specifies 'till the norms are specified by the Commission the employee cost shall be determined on the basis of actual historical cost'. The regulation further stipulates that the employee cost shall be computed as per the approved norm escalated by consumer price index (CPI) for immediately preceding three years.

The Commission has considered the employee expenses at Rs.6.58 crore in review for FY 2021-22 and the same is considered as base employee expenses for FY 2022-23. The Commission, in terms of regulation 21.1, has considered the CPI index points available on the official website *labourbureaunew.gov.in* and arrived at the CPI index increase as given below:

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Annual Average CPI index	284.42	299.92	322.50	338.69
Year on year increase		5.45%	7.53%	5.02%
Annual Average WPI index				6.00%

The Commission has approved employee expenses at Rs.6.58 crore for FY 2021-22 in review and the same is considered as base employee expenses for FY 2022-23 and further projected adopting the CPI inflationary increase of 6.008% for the control period of FY 2022-23 to FY 2024-25 subject to true up based on audited accounts as detailed in the Table below:

Table 6.14: Employee expenses approved for FY 2022-23 to FY 2024-25

Particulars	(Rs. Crore)		
	FY2022-23	FY 2023-24	FY 2024-25
Base Employee expenses	6.57	6.96	7.38
Indexation %	6.00%	6.00%	6.00%

Particulars	FY2022-23	FY 2023-24	FY 2024-25
Inflationary increase	0.39	0.42	0.44
Employee expenses	6.96	7.38	7.82

The Commission, accordingly, approves employee expenses for the control period as above.

6.8. Repairs and Maintenance (R&M) Expenses

Petitioner's submission:

The Petitioner has submitted that regulation 21.2 of BERC MYT Regulations, 2021 specifies provisions for computation of R&M expenses; the relevant extract 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:

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

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFA_n : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm.

It is stated that it has calculated R&M expenses by considering percentage point and opening GFA as arrived at considering actual R&M expenses and average GFA of FY 2020-21. In addition, the AMC expenses expected to be incurred during the Control Period for SAMAST Phase-2 were considered.

AMC charges for SAMAST Phase-2 shall be applicable after warranty period and 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.11.80 Crore including GST for 5 years, being the yearly AMC of Rs.1.48 Crore for software and Rs.0.86 Crore for hardware. As per the contract, the AMC cost for software will be charged from Q4 of FY 2021-22 onwards. The petitioner 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 and accordingly considered Rs. 0.22 Crore for FY 2023-24 and Rs.0.86 Crore for FY 2024-25.

The Petitioner has projected the R&M expenses for the control period as detailed in the table below:

Table 6.15: R & M expenses projected for FY 2022-23 to FY 2024-25

(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

Commission's analysis

The Regulation 21 (b) of the BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021 specify R&M expenses as percentage of opening gross fixed assets for estimation of R&M expenses. Regulation 21 (h) and (i) states norms shall be identified on the basis of absolute and relating analysis of audited accounts of operations for last three years, expenses claimed for control period, historically approved cost and prudence check shall be used to estimate values of norms. The Commission has not approved any R&M expenses in earlier years as the Petitioner do not own any assets and R&M expenses for previous three years are not available, hence no norm is determined. However, the Commission shall determine the R&M norm for the next control period.

As such the Commission considers the AMC relating to SAMAST for the control period as projected by the Petitioner, subject to true up.

The Commission, accordingly, considers the R&M expenses for the control period as given the Table below:

Table 6.16: Repairs & Maintenance Expenses approved for control period

Sl. No.	Particulars	(Rs. Crore)		
		2022-23	2023-24	2024-25
1	AMC cost of Software	1.48	1.48	1.48
2	AMC cost of Hardware		0.22	0.86
3	R&M expenses for the year	1.48	1.70	2.34

The Commission, accordingly, approves R&M expenses for the control period.

6.9. Administration and General (A&G) expenses

Petitioner's submission

The Petitioner has submitted that A&G expenses includes allowances, holding charges, other debits and regulation 21.3 of BERC MYT Regulations, 2021 provides for escalation of base value norms for consideration of A&G expenses as specified hereunder:

"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....."

It is submitted that in accordance with the regulation, has considered the weighted average WPI:CPI increase of 3.85% for projecting A&G expenses for each year of the Control Period from FY 2022-23 to FY 2024-25. 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 and FY 2023-24. The A&G expenses for the control period are

projected based on the A&G expenses of FY 2021-22 (RE) escalated by 3.85% for inflationary increase as given in the Table below:

Table 6.17: Administration & General expenses projected for control period
(Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Base A & G Expenses	0.27	0.28	0.29
2	Inflationary index %	3.85%	3.85%	3.85%
3	Add: Inflationary increase	0.01	0.01	0.01
4	A&G expenses	0.28	0.29	0.31

Commission's analysis:

Regulation 21 (a) of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021 specifies that *the Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz. Employee cost, Repairs and Maintenance (R&M) expense and Administration and General (A&G) expense. Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.*

The Regulations do not prescribe or direct to specify or determine norms for the SLDC business. The SLDC is neither a transmission licensee nor functions of SLDC fall under the ambit of transmission licensee. Further, the regulations specify A&G expense norm shall be determined based on combination of A&G expense per personnel and A&G expense per Substations. SLDC does not own any Substations. As such, the Commission has not proposed/determined norms for A&G expenses for the control period.

Regulation 21.3 specifies 'till the norms of A&G expenses is specified by the Commission, the actual historical cost will be considered for determination of A&G expense'. The regulation further stipulates that the A&G expenses shall be computed as per the approved norm escalated by wholesale price index (WPI) for immediately preceding three years.

The Commission has considered the A&G expenses at Rs.0.27 crore in review for FY 2021-22 and the same is considered as base A&G expenses for FY 2022-23. The Commission, in terms of regulation 21.3, has considered the WPI index points

available on the official website *eaindustry.nic.in* and arrived at the WPI index increase as given below:

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Annual Average WPI index	114.88	119.79	121.80	123.38
Year on year increase		4.28%	1.68%	1.29%
Annual Average WPI index				2.42%

The Commission has approved A&G expenses at Rs.0.27 crore for FY 2021-22 in review and the same is considered as base A&G expenses for FY 2022-23 and further projected adopting the WPI inflationary increase of 2.42% for the control period of FY 2022-23 to FY 2024-25 subject to true up based on audited accounts as detailed in the Table below:

Table 6.18: Administration & General expenses approved for control period (Rs. Crore)

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Base A & G Expenses	0.27	0.28	0.29
2	Inflationary index %	2.42%	2.42%	2.42%
3	Add: Inflationary increase	0.01	0.01	0.01
4	A&G expenses	0.28	0.29	0.30

The Commission, accordingly, approves Administration and General expenses for the control period as above.

6.10. Operation and Maintenance (O&M) expenses

Petitioner's submission:

The Petitioner has projected the total O&M expenses for the control period as given in the table below:

Table 6.17: Total 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	O&M expenses	8.78	9.42	10.52

Commission's analysis:

Based on the analysis, the Commission has considered the O&M expenses for the control period as detailed in the table below:

Table 6.19: Total O&M expenses approved for the control period

(Rs. Crore)				
Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Employee cost	6.96	7.38	7.82
2	R&M expenses	1.48	1.70	2.34
3	A&G Expenses	0.28	0.29	0.30
4	O&M expenses	8.72	9.37	10.46

6.11. Nontariff income**Petitioner's submission:**

The Petitioner has projected nontariff income for the control period as given in the table below:

Table 6.20: Nontariff income projected for the control period

(Rs. Crore)			
Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Income from other business	0.29	0.29	0.29

Commission's analysis:

The Commission considers the nontariff income for the control period as projected by the Petitioner as given in the table below:

Table 6.21: Nontariff income approved for the control period

(Rs. Crore)			
Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Income from other business	0.29	0.29	0.29

6.12. Interest on working capital**Petitioner's submission:**

The Petitioner has projected the interest on working capital according to the applicable norms for transmission function provided in the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021

The rate of interest applied on the proposed working capital is @8.50% as per the SBI MCLR of 7.00% as on 15.09.2021 plus 150 basis points. The Petitioner has

projected interest on working for the control period as detailed in the Table below:

Table 6.22: Projected Interest on working capital 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

Commission's analysis

The Commission has computed the working capital requirement and interest on working capital as per the norms specified in Regulation 26 of the BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021. The regulation 26 (b) specify the rate of interest shall be equal to State Bank one-year MCLR as of the date on which tariff petition is filed plus 150 basis points. The Petitioner has filed tariff petition on 01.12.2021 and the prevailing SBI MCLR is at 7.00%. The Commission has considered rate of interest of 8.50% (7.00%+1.50%) for computation of interest on working capital for the control period. The maintenance spares are considered at 40% of R&M expenses for one (1) month and return on equity and contribution to contingency reserve equivalent to two (2) months has been reduced from the working capital requirement in terms of regulations.

The Commission has computed the working capital and interest on working capital as per expenses approved at an interest rate of 8.50% for the control period as given in the Table below:

Table 6.23: Interest on working capital approved 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	2.03	2.11	1.90
2	O&M expenses of one (1) month	0.73	0.78	0.87

Sl. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
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 equivalent to two months	0.08	0.08	0.08
5	Less: Amount of security deposits, if any held			
6	Total working capital (1+2+3-4-5)	2.72	2.87	2.76
7	Rate of interest	8.50%	8.50%	8.50%
8	Interest on working capital (6*7)	0.23	0.24	0.24

The Commission approves the interest on working capital for the control period as given in the above Table.

6.13. Aggregate Revenue Requirement (ARR) Petitioner's submission

The Petitioner has projected the ARR arrived at by aggregating all the expenses for the control period as given in the Table below:

Table 6.24: Projected ARR for the control period FY 2022-23 to FY 2024-25

(Rs. Crore)

Sl. No.	Particulars	Projected for FY 2022-23	Projected for FY 2023-24	Projected for FY 2024-25
1	Employee cost	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	Depreciation	2.84	2.90	2.44
5	Interest on loan capital	0.24	0.08	-
6	Interest on working capital	0.23	0.25	0.26
7	Return on Equity	0.61	0.62	0.62
8	Less: Income from other business	0.29	0.29	0.29
9	Gross ARR	12.41	12.99	13.57

Commission's analysis:

The Commission, based on the detailed analysis, has considered the Aggregate Revenue Requirement for the control period as detailed in the Table below:

Table 6.25: ARR approved for the control period FY 2022-23 to FY 2024-25

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2022-23	Approved for FY 2023-24	Approved for FY 2024-25
1	Employee expenses	6.96	7.38	7.82
2	R&M expenses	1.48	1.70	2.34
3	A&G Expenses	0.28	0.29	0.30
4	Depreciation	2.79	2.79	0.49
5	Interest on loans	0.23	0.07	0.00
6	Other finance charges			

Sl. No.	Particulars	Approved for FY 2022-23	Approved for FY 2023-24	Approved for FY 2024-25
7	Return on Equity	0.49	0.50	0.50
8	Interest on working capital	0.23	0.24	0.24
9	Less: Non-tariff income	0.29	0.29	0.29
10	ARR	12.17	12.69	11.39

6.14. Trued up Revenue Surplus of FY 2020-21

The Commission has arrived at net revenue surplus of Rs.0.12 crore in the truing up for FY 2020-21. The Commission in terms of Regulation 13 (f) of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2018 has carried forward the trued-up surplus of FY 2020-21 along with carrying cost in to the ARR of FY 2022-23.

The Commission has considered carrying cost @ 8.53% (SBI MCLR 7.03% plus 150 basis points) for half year of FY 2020-21, @8.50% (SBI MCLR 7.00% plus 150 basis points) for full year of FY 2021-22 and @8.50% for half year of FY 2022-23 on the trued up revenue Gap/(surplus) of FY 2020-21 assuming that the Gap/(surplus) has been created over FY 2020-21 and adjustment/recovery would have been made over the year 2022-23 following the methodology adopted by APTEL in order dated 08.04.2015 in Appeal No.160 of 2012 (Reliance Infrastructure Ltd. Vs MERC & others) as detailed in the Table below:

Table 6.26: Trued up revenue surplus of FY 2020-21 with carrying cost

Particulars	Amount (Rs. Crore)
Revenue surplus approved in true up for FY 2020-21	0.12
Interest for FY 2020-21 [(Wt. average SBI MCLR Rate 7.03%+1.5%) 8.53%] for half year	0.01
Interest for FY 2021-22 (SBI MCLR 7%+1.5%) @ 8.5% for 1 year	0.01
Interest for FY 2022-23 (SBI MCLR 7%+1.5%) @8.5% for 6 months	0.01
Total surplus with carrying cost/interest	0.15

The Commission accordingly carries forward Rs.0.15 crore in to the ARR of FY 2022-23.

6.15. Annual SLDC charges for FY 2022-23

The Commission has approved the ARR of Rs.12.17 crore for FY 2022-23. The Commission has approved revenue surplus of Rs.0.12 crore for FY 2020-21 in truing up and the carrying cost of Rs.0.03 crore totaling to Rs.0.15 crore. Thus, the annual SLDC charges for FY 2022-23 are computed as given in the table below:

Table 6.27: Annual SLDC Charges approved for FY 2022-23

Sl. No.	Particulars	Projected by SLDC for FY 2022-23	Approved for FY 2022-23
1	Aggregate Revenue Requirement approved for FY 2022-23	12.41	12.17
2	Less: Trued up revenue surplus of FY 2020-21 with carrying cost	0.16	0.15
3	Annual SLDC charges for FY 2022-23 (1-2)	12.25	12.02

6.16. Methodology for Recovery of ARR

Petitioner's submission:

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."

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 6.28: 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 6.29: SLDC Charges for FY 2022-23

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
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

Commission's analysis:

The Commission has specified the methodology for sharing of SLDC charges in regulation 35 of BERC (Multi Year Transmission Tariff and SLDC charges) Regulations 2021 as under:

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.

$SAC =$ Sum of actual installed capacity of nth 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.

The Commission directs the Petitioner to recover the SLDC charges of Rs.12.02 crore (Table 6.27above) approved for FY 2022-23 on monthly basis from the Discoms in their power sharing ratio and also from the transmission system users in the ratio of their contracted capacity.

7. Directives

7.1. Background

The Commission in its previous Tariff Order dated 19th March 2021 has issued some directives to the State Load Dispatch Centre (SLDC). This chapter deals with the compliance/status of the directives and Commission's observations there on, as well as new directives for compliance and implementation by SLDC.

7.2. Directives issued and status of compliance

Directives issued in the Tariff Order dated 19th March, 2021 and their compliance by SLDC are dealt hereunder:

7.2.1 Directive 1 : Autonomy of SLDC

The Petitioner is directed to take necessary steps to strengthen the SLDC and also to make it in to a separate entity as mandated under Section 31 of the Electricity Act, 2003 and to submit the Status report by 30.06.2020.

The petitioner has earlier reported that it is in the process strengthening of SLDC and implementation of SAMAST and on successful implementation the matter will be put up before BSP(H)CL Board for approval and to take up the matter with the State Government. 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.

Compliance status of directive

SLDC has submitted that due to the COVID-19 pandemic, the Government of Bihar imposed several restrictions and subsequent lockdown in the State, the matter pertaining to autonomy of SLDC could not be taken up before the BSP(H)CL Board for approval. However, on resumption of SLDC office on 23.06.2021, the matter has been taken up to the Board for approval, which is awaited. SLDC shall submit compliance in this regard at a later stage.

Commission's view:

The Commission has noted the petitioner's reply and directs the SLDC to submit the

status report to make SLDC in to a separate entity from time to time on quarterly basis.

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

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

SLDC has earlier submitted that it has put to use all assets pertaining to SAMAST project as on 23rd December, 2020. Accordingly, SLDC was 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 directed SLDC to put up a live demonstration of SAMAST in the 1st week of May, 2021 showing the benefits of implementation of the project.

Compliance status of directive

The Petitioner has submitted that asset worth Rs.8.22 Crore of SAMAST project was capitalized till December 2020 and Physical Completion Certificate (PCC) and Taking Over Certificate (TOC) for SAMAST project was submitted on 24.12.2020. The balance amount of Rs.2.37 Crore against the total project cost of Rs.10.59 crore is proposed to be capitalized in FY 2021-22.

The live demonstration of SAMAST before the Commission shall be arranged on the date convenient to the Commission.

Commission's view:

The Commission has noted the reply of SLDC.

7.2.3 Directive 3 : Asset Register

The Commission has directed to maintain assets / property register for the assets owned by SLDC and PGCIL separately showing the details of nature of equipment, value of equipment, buildings and other civil works etc., and submit the copy of the asset register along with tariff petitions year on year.

Compliance status of directive

SLDC has stated that it will maintain the asset register after successful implementation of SAMAST project.

Commission's view:

SLDC has capitalised assets of Rs.8.22 crore relating to SAMAST project, however has not submitted the property/assets register along with the tariff petition. SLDC is directed to maintain the asset register for the assets owned by SLDC and PGCIL separately and submit copy of the same to the Commission for record.

7.2.4 Directive 4 : Ring fencing of SLDC:

BSPTCL is directed to strengthen the SLDC function and to ring fence it sufficiently and to host separate website for SLDC to provide details/data pertaining to its functions as stipulated under Section 32 of the Electricity Act 2003.

Petitioner's submission

Due to the COVID-19 and imposition of restrictions and lockdown in the State, the works of SLDC and its operations were severely affected and the matters relating to ring fencing of SLDC could not be taken up before the management of BSP(H)CL.

SLDC is in the process of taking up the matter to the Board of Directors for approval and a status report shall be submitted at later stage.

Commission's analysis:

The Commission has noted the petitioner's reply and directs the SLDC to submit the status report on the subject from time to time on quarterly basis.

7.2.5 Directive 5 :Separate website for SLDC:

BSPTCL is directed to host separately a website for SLDC by January 2021 and confirm to the Commission separately website is created with the required data points.

Petitioner's submission

SLDC, vide letter dated 30th June 2021, had informed that a separate website had been created depicting all the data points in compliance to the directives of the Commission. It is requested to drop the directive in view of the compliance no further action is required.

Commission's analysis:

The Commission has noted the compliance and accordingly drops since the petitioner has fully complied with the directive.

7.2.6 Directive 6 :Separate accounts/allocation statement:

SLDC is directed to produce 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.

Petitioner's submission

SLDC submitted that it has prepared Statement of revenue and expenses relating to SLDC functions for FY 2020-21 and will be duly certified by Chartered Accountant. SLDC shall submit CA certified Statement of revenue and expenses relating to SLDC functions on completion of audit.

Commission's analysis:

The Commission has noted reply of the SLDC and directs the SLDC to submit audited/certified statement of revenue and expenses along with the tariff petition of the relevant financial year.

7.2.7 Directive 7 :Regulatory accounts:

SLDC is directed to prepare and submit Regulatory Accounts along with Tariff Petitions from the Tariff proceedings of subsequent year onwards.

Petitioner's submission

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

Commission's analysis:

The Commission directs the SLDC to submit the regulatory accounts as per BERC (Power Regulatory Accounting) Regulations 2018 along with the true up petition of the relevant financial year.

Sd/-
S. C. Chaurasia
Member

Sd/-
Shishir Sinha
Chairman

Annexure-I

Bihar Electricity Regulatory Commission (BERC)

Vidyut Bhawan-II, J. L. Nehru Marg, Patna 800 021

Time: 11:30 A.M. Dated: 28th January 2022**Minutes of the meeting of the State Advisory Committee (SAC) constituted under section 87 of the Electricity Act 2003 held on 28.01.2022 through Video Conference Mode to discuss on the Tariff petitions of NBPDC, SBPDCL, BSPTCL, SLDC and BGCL for the MYT control period FY 2022-23 to FY 2024-25.**

1. The meeting of the State Advisory Committee (SAC) was held on 28.01.2022 under the Chairmanship of Shri Shishir Sinha, IAS (Retd.), Chairman, BERC through Video Conference. The list of participants of the meeting is enclosed with the minutes.
2. The Chairman has welcomed all the members and other participants of the meeting and impress upon the contribution of the members towards the holistic development of the electricity industry in the State. The Chairman underlined the objectives of the committee which include to advise the Commission on matter of policy relating to electricity supply, quality, continuity and extent of services provided by the licensees, protection of consumers interest, overall standard of performance by utilities, etc. The Commission has scheduled to conduct the SAC meeting with annual tariff determination exercise every year. The Chairman requested the members to attend the meeting for meaningful discussion on the listed agenda items.
3. It was explained that although the agenda of this meeting as circulated earlier is related to the discussion on tariff petitions for FY 2022-23 submitted by BSPTCL, SLDC, BGCL, NBPDC and SBPDCL, yet, the members may put up any policy matters for discussion which comes under the purview of the State Advisory Committee.
4. The Chairman apprised the SAC members that the Commission is conducting public hearings through Video Conference on 03.02.2022 for NBPDC, on 08.02.2022 for BSPTCL, BGCL and SLDC and on 15.02.2022 for SBPDCL. Objections/suggestions on the petitions shall be considered before finalizing the

tariff. It was further stated that the suggestions of SAC shall also be taken into consideration in finalizing of the tariff for FY 2022-23.

After introductory session, agenda items as circulated earlier were taken up for discussion.

4. Presentation on Tariff Petitions by NBPDC and SBPDCL:

The Discoms jointly gave Power Point presentation on the tariff petitions for true up for 2020-21, APR of 2021-22 and ARR for control period of FY 2022-23 to FY 2024-25. The Discoms while highlighting the gist of petitions disclosed before the Commission and the Committee that although they have proposed overall gap in the ARR of FY 2022-23 including gap in the true up of FY 2020-21 which shall be bridged by tariff increase of around 10% in FY 2022-23.

The members of SAC suggested that the controllable expenditure should be considered as per norms and regulations.

Shri Arun Agarwal, President, Bihar Industries Association (BIA) and Shri Amit Mukherji, Secretary General, Bihar Chamber of Commerce & Industries (BCCI) have submitted written suggestions and views which deals, inter-alia, the following main points:

- (i) Collection efficiency has come down in Discoms for FY 2020-21 leading to high AT&C losses. Collection efficiency is controllable factor and should be improved on priority basis.

Discoms have informed the Committee due to outbreak of Covid-19 pandemic in FY 2020-21 and imposition of lockdown and restrictions by the State and Central Government has severely affected the day to day activities of the utilities including billing and revenue collection resulting in lower collection efficiency and higher AT&C losses. It was further informed that smart pre-paid meter project is being implemented which envisage to improve revenue billing and collection and minimize the AT&C losses and improvement in collection.

- (ii) 24x7 uninterrupted Power supply shall be made available to HT industrial units for increased revenue from sale of power.

Discoms have stated at present 22 hours power supply is provided in rural

areas and 23 hours in urban areas. The areas with high concentration of HT consumers are being given power supply through special feeders. Discoms have informed, the Committee, the measures taken to improve the quality, reliable and uninterrupted power supply as stated hereunder.

- Construction of new 33/11 kV power substations
- Provision for underground cabling and capacitor banks
- Reconductoring, replacement of old worn out conductors, insulators and other line equipment
- Dedicated HT feeders for industries like induction furnaces
- Separation of traction loads, etc
- Demand charges shall be reduced proportionately for interruptions in power supply.
- The surplus power whenever available shall be allowed to be availed by consumers at the rate at which the surplus power sold to other states
- Distribution loss shall be considered as per the target approved by the Commission for FY 2020-21 and FY 2021-22.

Discoms have stated that domestic consumers constitute 87% of the total consumer base with 66% of the sales mix. Lower income group domestic consumers (Kutir Jyoti) constitute 30% of the domestic consumers with 15% of energy sales. Discoms have to upkeep the network with such consumers profile which is skewed towards domestic consumers resulting to bear higher distribution losses owing to such distribution network having very high percentage of domestic consumers. The utilities are making consistent efforts to reduce the distribution losses and has been achieving continuous reduction in losses.

- Cross subsidy from HT consumers shall be limited to 10% and totally eliminated in 2 years.

Discoms have stated that tariff rates are formulated to keep the cross subsidy within +/- 20% in line with the National Tariff Policy 2016. However, due to consumer ratio being predominantly domestic consumers, it has become difficult

to maintain the cross subsidy within the limit. Further, tariff formulations are the Commissions domain.

- (i) Load factor rebate shall be made attractive and all industrial consumers shall be allowed rebate of 1% for every increase of 1% in load factor subject to maximum of 20% in line with the methodology followed in State of Jharkhand.
- (ii) Discoms have appraised the Committee on the existing load factor rebate announced for FY 2021-22 in the Tariff order dated 26.03.2021. Further, it is informed, in addition to existing incentive structure, it is proposed that the HT consumers (excluding HTSS category) with 30% to 50% load factor would be incentivized for improved load factor utilization monthly.
- (iii) Demand based tariff shall be made applicable to all consumers irrespective of their connected load.

Discoms have stated that as per the directions of the Commission, demand based tariff is made applicable to all the categories of consumers except SS (Unmetered) and IAS-I

- (iv) ToD structure shall be revised for HT consumers to incentivize for increased consumption.

Discoms have informed the Committee, necessary proposals have been made in the petition for the decision of the Commission

- (v) Penalty slab of 120% for 6 hours every day shall be abolished
Discoms have stated that slab of 120% and discounted slab of 85% was introduced to optimize the power demand curve of the State, ensuring match between demand and supply, thereby rationalizing the power purchase quantum and cost and reducing the dependency on short term power purchase. To meet peak hour demand, power purchase at higher cost is being made and in order to meet such cost a higher energy charge of 120% is approved by the Commission. Measures have been taken to incentivize the consumers to shift a portion of their load to off peak time from peak time.
- (vi) Discounted slab of 85% shall be allowed for 12 hours from 11 PM to 11 AM.

Discoms have stated that the Commission may take decision appropriate keeping in view the financial viability and revenue requirement of the utilities.

- (vii) Tariff structure similar to the tariff structure of States of Jharkhand, Odisha and DVC may be implemented in Bihar

Discoms have informed the Committee, they have already removed several sub-categories and number of slabs were brought down to the present level of around 35. In the instant petition, they have proposed to reduce no. of slabs in DS-II category.

- (i) HTSS tariff shall be allowed to Oxygen producing plants

Discoms has stated that if the consumer fulfils the criteria defined by the Commission for HTSS consumer, the same may be allowed

- (ii) Pre-payment of power supply bill shall be optional

Discoms have informed the Committee, this is in violation of the Clause 5 of the Electricity (Rights of Consumers) Rules 2020 which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter, exception thereon shall be approved by the Commission recording proper justification for allowing deviation from installation of smart prepayment meter.

- (iii) Total Rebate of 5.5% shall be allowed to pre-paid metered consumers (3% for pre-paid meters+1.5% for timely payment+1% for online payment).

Discoms stated that rationale behind the proposals are not presented. However, Discoms shall abide by the directions of the Commission on the subject matter.

- (iv) Pre-paid meter test report shall be made available to the consumers at the time of installation

Discoms reported that they install meters duly tested and calibrated. If any consumer reports their meter is faulty/showing incorrect reading, necessary testing of meter is done and remedial action required is carried out.

- (v) Interest at 6% shall be allowed on advance payment on day resting balance

without minimum balance

Discoms shall abide the directions issued by the Commission on the subject.

- (vi) Cost of removed post paid meter shall be reduced from the assets value of the utility

Discoms have stated that replaced/removed old meters are in running and good condition are being reutilized.

- (vii) Un-metered connections shall be provided with meters on priority basis

Discoms have stated they have initiated process of metering and verification for identifying the status in the unmetered consumer's premises as recorded in the software/system. It is found in majority of the premises meters were found but not updated in the software of the utility or the meters were installed but later on became defective/nonfunctional. Action is being taken to replace the defective meters and also updating the consumer data in the software.

- (i) Meters shall be installed on all Distribution Transformers in order to identify the distribution transfer with higher losses to take remedial measures to control the losses

Discoms are making efforts to DTR metering to improve the energy accounting, monitoring and reduce the losses.

- (ii) Assets register not prepared by the utilities

Asset register maintenance requires physical verification, collection of data, record verification, etc. along with digitization of distribution network through survey and mapping. It requires preparing the record of all assets and to reconcile the value of assets with the value of the assets depicted in the annual accounts. It is informed that preparation of asset register requires identification of each and every asset, description of the asset, acquisition date, location of asset, class of asset, length of line, specification of conductor/cables, cost of acquisition, depreciation and accumulated depreciation, net book value, etc. Discoms are endeavouring to implement ERP and upon implementation the asset register shall be prepared.

After the general discussion on the tariff proposals, following listed agenda items pertaining to terms and conditions of Discoms tariff petitions were taken up:-

AT&C loss / Distribution loss trajectory:

The Chairman asked the Members to present their views on AT&C loss/Distribution loss trajectory. Sri Sanjay Bhartiya, Bihar Industries Association has stated that the AT&C losses as well as the Distribution losses claimed are very high and the Commission shall consider the Distribution losses as approved for FY 2020-21 and the cost of higher losses shall be borne by the respective Discoms.

Revamped Distribution Sector Scheme (RDSS):

The Discoms have informed the SAC about the RDSS launched by the GoI and presented the salient features and objectives of the scheme.

- RDSS scheme was launched by GoI
- GoI has issued the guidelines of the scheme
- DPRs shall be prepared by Discoms as per the guidelines and submitted to the Nodal Agency
- Monitoring Committee constituted under Nodal Agency shall approve the schemes to achieve the objectives of the RDSS.

Objectives of the RDSS Scheme

- improve the quality, reliability and affordability of power supply to consumers
- financially sustainable and operationally efficient distribution sector over a period of five years FY 2021-22 to FY 2025-26.
- Discoms to take up various works to reduce AT&C losses and strengthen the distribution system
- ensure reliable and uninterrupted power supply,
- take necessary measures to simultaneously bring down the AT&C losses.

Discoms have informed the SAC that the DPRs of schemes are under preparation and the phasing of capital expenditure year on year, source of funding, expected starting date of the schemes and completion date and benefits to the licensees and to the consumers shall be assessed upon approval of the schemes.

SAC noted the submissions of the Discoms.

Scheduling less quantum of power than allocated/entitlement:

Discoms have briefly informed the SAC that the power is scheduled on day ahead basis considering the prevailing atmospheric conditions, load, etc. The fixed charges are being paid as per the agreed terms and conditions of the PPA. The Discoms have stated that actual power purchase cost shall be claimed in truing up.

24x7 power supply:

Discoms have informed that at present they are providing power supply of around 21 hours in towns/cities and 18~21 hours in rural areas. Discoms stated that they endeavor to provide 24x7 power supply in the entire state of Bihar. It is further stated that the RDSS aims at providing 24x7 power supply.

Road map for reduction of cross subsidy:

Tariff policy specify the cross subsidy shall be within the range of +/- 20% of the Average cost of supply. However, the cross subsidy within the same category shall also be limited to +/- 20% of the ACoS. Discoms have stated that the Commission may take appropriate decision keeping in view the financial sustainability of the utilities.

Trading of Green Energy on Power Exchange:

Shri Ravi Kuchi, Member, IEX stated that green energy is being traded through exchange and suggested that Discoms to procure RE through exchange for RPO compliance.

Presentation by BSPTCL on Tariff Petitions of BSPTCL, SLDC and BGCL:

BSPTCL has given Power Point presentation on the Tariff Petitions of BSPTCL, SLDC and BGCL.

Members have stated that TRANSCOs are passing on the entire cost to Discoms irrespective of their utilization of all commissioned assets. Allocation of cost should be based on actual utilization (put to use) of assets instead of passing on the entire cost to Discoms.

The Chairman thanked all the Members and officials present in the meeting for attending the meeting and giving valuable suggestions. The Chairman assured the

members that the Commission would consider these suggestions while passing the tariff orders of the Transmission, SLDC and Distribution companies.

The meeting ended with vote of thanks to Chair.

List of Participants in SAC Meeting

Sl. No	Name	Designation	Organization
1	Shri. Shishir Sinha	Chairman	BERC
2	Shri. S.C.Chaurasia	Member	BERC
3	Shri. Raamish Tauseef	Secretary	BERC
4	Shri. Sanjeev Hans	Secretary and CMD	Department of Energy, Govt. of Bihar
5	Representative		Urban Development & Housing Department, Govt. of Bihar
6	Representative		Transport Department, Govt. of Bihar
7	Shri. Sanjiwan Sinha	Managing Director	Bihar State Power Generation Company Ltd & SBPDCL
8	Shri. Mukul Kumar Gupta	Managing Director	Bihar State Power Transmission Company Ltd & NBPDC
9	Shri. Alok Kumar	Director	BREDA
10	Shri S.K. Patwari	President	Bihar Chamber of Commerce
11	Shri Amit Mukheji	Secretary General	Bihar Chamber of Commerce
12	Shri. Ram Lal Ketan	President	Bihar Industries Association
13	Shri. Bhaskar Sharma	Consultant cum Technical Advisor	BSPTCL
14	Shri. Ravi Kuchi	Vice President	IEX
15	Shri. Avinash Kumar	Deputy Director (Generation)	BERC
16	Shri. Deepak Kumar	Deputy Director (Distribution)	BERC
17	Shri. Pawan Kumar	Deputy Director (Commercial)	BERC
18	Shri. Anupam Kamal	Deputy Director (Transmission)	BERC
19	Shri K. Bhaskar Reddy	Consultant	ASCI
20	Shri. T Satyanarayana	Consultant	ASCI
21	Shri. G. Purna Prakash Reddy	Consultant	ASCI
22	G.R.S.Gowtham	Sr. Research Associate	ASCI
23	Agniv Nath	Research Associate	WISE

Annexure-I

**List of Participants in the Public Hearing through Video Conference held on 08.02.2022
Case No- 18/2021 (SLDC)**

Appearance on behalf of SLDC			
Sl. No	Name	Designation	Organization
1	Shri. H.R.Pandey	Director Projects	BSPTCL
2	Shri. Uttam Kumar	Director Operation	BSPTCL
3	Shri. A.K.Choudhary	Chief Engineer (System Operation)	SLDC
4	Smt, sweta	ESE	SLDC
5	Shri. Deepak Kumar Ram	EEE	SLDC
Appearance on behalf of Stakeholders and Public			
1	Shri. Deepak Kumar	CE (Commercial)	NBPDCL
2	Shri.Purushotam Prasad	ESE (Commercial)	SBPDCL
3	Shri. Sanjay Bhartiya	Vice President	Bihar Industries Association
4	Shri. Anil Kumar Sinha	Manager service	Bihar Industries Association
5	Shri. S.K.Patwari	President	Bihar Chamber of Commerce and Industries
6	Shri. Amit Mukherjee	Secretary General	Bihar Chamber of Commerce and Industries