



Table 2-19: Aggregate Revenue Requirement of FY 2024-25 (Rs. Cr.)

Sl. No.	Parameter	FY 2024-25	
		Approved in Tariff Order dated 1.03.2024	Claimed in Truing-up of FY 2024-25
1	O&M cost	10.12	11.80
a	Employee cost	6.94	6.83
b	R&M expenses	2.51	4.00
c	A&G expenses	0.68	0.97
2	Depreciation	8.03	5.35
3	Interest on loan capital	2.38	3.99
4	Return on Equity	2.67	4.28
5	Interest on Working capital	0.44	0.48
6	Less: Non-Tariff Income	0.48	0.84
7	Total ARR	23.16	25.04

Accordingly, SLDC requests the Hon'ble Commission to consider and approve the Annual Revenue Requirement for Truing-up of FY 2024-25 as shown in the table above.

2.15. Revenue Gap/ (Surplus) for FY 2024-25

The Hon'ble Commission vide Tariff Order dated 1st March 2024 approved the ARR for FY 2024-25 as Rs. 23.16 Crore and revenue surplus for FY 2023-24 along with carrying cost as Rs. 2.38 Crore, which was carried forward to FY 2024-25. Accordingly, the Hon'ble Commission approved Annual SLDC Operating Charges for FY 2024-25 as Rs. 20.78 Crore. SLDC submits that during FY 2024-25, it has booked revenue of Rs. 20.78 Crore as approved by the Hon'ble Commission. Further, based on above submission, SLDC has computed the Revenue Gap/ (Surplus) for FY 2024-25 as summarised below.



Table 2-20: Revenue Gap/(Surplus) of FY 2024-25 (Rs. Cr.)

Sl. No.	Parameter	FY 2024-25	
		Approved in Tariff Order dated 1.03.2024	Claimed in Truing-up of FY 2024-25
1	Aggregate Revenue Requirement for FY 2024-25	23.16	25.04
2	True up revenue Gap/(Surplus) of FY 2023-24 with carrying cost	-2.38	-2.38
3	Net SLDC Charges Requirement	20.78	22.66
4	Less: SLDC charges received	20.78	20.78
5	Revenue Gap / (Surplus) for the year (1-2-3)	0.00	1.88

Therefore, SLDC requests the Hon'ble Commission to approve Revenue Deficit as shown in the table above for Truing-up of FY 2024-25.

Further, SLDC submits that the Revenue Deficit is to be passed on in the ARR and Tariff of FY 2026-27 along with carrying cost.

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(3) Prior Regulatory Approval of Capital Investment Plan and Capitalization for FY 2025-26 and FY 2026-27

3.1 Background

SLDC had filed a Petition seeking regulatory approval of Capital Expenditure for the Control Period from FY 2022-23 to FY 2024-25 in Case No. 05/2023. The Hon'ble Commission, after due consideration, was pleased to approve the same vide its Order dated 07.10.2023 in Case No. 05/2023.

The Hon'ble Commission, vide Tariff Order dated 28th March 2025, approved the Truing-up of FY 2023-24, the Annual Performance Review (APR) of FY 2024-25, the Business Plan and Multi-Year Aggregate Revenue Requirement (MYT ARR) for the Control Period from FY 2025-26 to FY 2027-28, and the SLDC Operating Charges for FY 2025-26, in accordance with the provisions of the MYT Regulations, 2021 and MYT Regulations, 2024. In this Tariff Order, SLDC had proposed zero capitalization in the Business Plan and MYT ARR for the Control Period from FY 2025-26 to FY 2027-28, as no capital expenditure or capitalization was envisaged at the time of filing the Tariff Petition.

At present, SLDC has planned to implement new projects during the Control Period, i.e., for FY 2025-26 and FY 2026-27, and is accordingly seeking prior regulatory approval for the same. Further, the Regulation 6.2 of BERC (Procedure for filing Capital investment and Capitalisation plan) Regulations, 2018 provides for submission of Capital investment Plan every year with the ARR/Multi-year ARR Petition, as reproduced below:

"The Licensee(s) shall submit the Capital investment Plan every year with the ARR/Multiyear ARR petition and it should inter-alia contain: –

(a) Scheme wise Source wise actual capital expenditure and capitalization for previous year vis-a-vis projected in the investment plan for that year;

(b) Scheme wise Source wise actual capital expenditure and capitalization for first six months of current year vis-à-vis projected in the investment plan for that period;

(c) Scheme wise Source wise capital investment plan containing year wise schedule of capital expenditure and capitalization for next ten years starting from ensuing years. Based on actual expenditure and capitalization the rolling plan may get revised in subsequent filings. The capital investment plan should show scheme wise objective of the investment.

Provided that such capital investment plan seeking regulatory approval shall be supported with Detailed Project Report (DPR) duly approved by the competent authority.



Provided further that if DPR duly approved by the competent authority is not available till finalization of the capital investment plan, the licensee(s) may include such investment in the capital investment plan as mentioned above. However the licensee shall submit the approved DPR to the Commission in its immediate next filing following approval of such DPR."

Accordingly, SLDC is filing this Petition before the Hon'ble Commission to seek prior regulatory approval for the proposed projects/schemes undertaken during FY 2024-25, which are proposed to be capitalized during the FY 2025-26 and FY 2026-27, in accordance with the BERC (Procedure for Filing Capital Investment and Capitalization Plan) Regulations, 2018.

SLDC proposes to capitalize two new projects in FY 2025-26 and three new projects in FY 2026-27, for which prior regulatory approval is being sought from the Hon'ble Commission. All requisite supporting documents and approvals are being submitted along with this Petition.

3.2 Capital Expenditure and Capitalization Plan

Projects Proposed for Capitalization During FY 2025-26 and FY 2026-27 are as follows:

Sl. No.	Name of Element	Original/ Awarded Cost (Rs. Crs)	Mode of Finance	Capitalization	
				FY 2025-26 (Rs. Crs)	FY 2026-27 (Rs. Crs)
1	Installation of 2X315KVA DT for providing new 150KVA HT power connection in Back up control , Gaya	0.34	IRF	0.34	
2	Installation of 11/0.433 KVA X 2 additional DT for providing 300 KVA HTS-1 Connection under ESSD Board Colony, ESD New Capital, PESU (W)	0.3	IRF	0.3	
3	Design, Supply, Erection, Testing and Commissioning for Implementation of Islanding Scheme for the city of Patna	9.79	PSDF+IRF		2.05
4	Precision AC installation at Breda Bhawan	1	IRF		0.7
5	Backup eWatch Server at the Backup SLDC, Chandauti GSS	5.99	IRF		2.94
	Total	17.42		0.64	5.69



1. Installation of 2X315 KVA DT for providing new 150 KVA HT power connection in Back-up Control, Gaya

SLDC proposes the project for installation of 2×315 KVA Distribution Transformers (DTs) to provide a new 150 KVA HT power connection at the Backup Control Centre (BCC), Gaya, to ensure uninterrupted and reliable power supply for critical grid operation activities. The project became necessary due to the enhanced electrical load arising from expansion of SLDC's backup functions and integration of additional SCADA and IT infrastructure.

As the BCC functions as a redundant operational control centre to maintain continuity of system operation during contingencies at the main SLDC, reliable and redundant power supply is indispensable. The installation of these DTs ensures continuity of grid monitoring, communication, and control functions even under outage scenarios, thereby strengthening overall system resilience.

The technical approval letters are enclosed in Annexure-A for the ready reference of the Hon'ble Commission. Accordingly, SLDC respectfully requests the Hon'ble BERC to grant prior regulatory approval for the same.

2. Installation of 11/0.433 kV × 2 Additional DTs (300 KVA) for HTS-1 Connection at ESD Board Colony, ESD New Capital, PESU(W)

SLDC proposes this project to augment the existing power supply arrangement by installing two 300 KVA Distribution Transformers at the ESD Board Colony, PESU (W), to ensure uninterrupted supply to the SLDC communication and data hub established at this location. This data hub hosts critical servers and telemetry equipment forming part of the state-wide SCADA and communication network managed by SLDC.

The augmentation was essential to meet the enhanced connected load from expansion of SLDC's data and communication infrastructure and to introduce redundancy against transformer failure, ensuring 24×7 reliable operation of the state telemetry system. The project directly supports SLDC's statutory responsibility of real-time grid monitoring and secure communication under Section 32 of the Electricity Act, 2003.

The technical approval letters are enclosed in Annexure-B for the ready reference of the Hon'ble Commission. Accordingly, SLDC respectfully requests the Hon'ble BERC to grant prior regulatory approval for the same.



3. Design, Supply, Erection, Testing & Commissioning of Islanding Scheme for the City of Patna

SLDC proposes this project for implementation of the Islanding Scheme for the City of Patna, a critical grid-security initiative aimed at safeguarding the state capital from total grid collapse during major disturbances. The scheme enables automatic isolation of the Patna network and real-time load-generation balancing, thereby maintaining supply to essential establishments such as hospitals, defence, and government facilities during grid contingencies.

This project is being undertaken as per directions of the Central and State Load Despatch Centres and is vital for enhancing grid resilience and operational security. SLDC, being the nodal agency for system operation, is responsible for execution and integration of the scheme with real-time control infrastructure.

The Board of Directors (BoD) approval letter, Detailed Project Report (DPR), and NIT notification are enclosed in Annexure-C for the ready reference of the Hon'ble Commission. Accordingly, SLDC respectfully requests the Hon'ble BERC to grant prior regulatory approval for the same.

4. Precision AC Installation at Breda Bhawan

SLDC proposes this project for installation of precision air-conditioning systems at Breda Bhawan, where the central data-processing and SCADA server rooms are housed. The earlier AC units were insufficient to manage the heat load generated by the upgraded SCADA servers, communication racks, and fire-alarm systems.

To maintain optimal temperature and humidity levels and ensure uninterrupted equipment performance, SLDC installed high-efficiency precision AC units capable of 24x7 operation. This measure safeguards sensitive equipment, ensures operational reliability, and prevents data loss or system downtime – essential for continuous grid supervision.

The total project cost of Rs. 1.00 crore has been apportioned between Capitalization and Repair & Maintenance (R&M), with Rs. 0.70 crore proposed under Capitalization for FY 2026-27, and Rs. 0.30 crore to be claimed under R&M over five years from FY 2027-28.

The Detailed Project Report (DPR) is currently under preparation and will be submitted to the Hon'ble BERC at the earliest during the course of the present



proceedings. Accordingly, SLDC respectfully requests the Hon'ble Commission to grant prior regulatory approval for the same.

5. Establishment of Backup e-Watch Server at Backup SLDC, Chandauti GSS

The e-Watch server at the Backup SLDC forms a vital component of the integrated state-wide grid monitoring system. It provides real-time data visualization, event logging, and alarm management for both SLDC and field control centres. Installation of a backup server at Chandauti ensures redundancy and business continuity in case of any primary server outage at the main SLDC facility. This project strengthens the disaster-recovery and cybersecurity framework of the SLDC in line with national system operation standards.

The total project cost for the Establishment of Backup e-Watch Server at Backup SLDC, Chandauti GSS is Rs. 5.99 crore. Out of this, SLDC is capitalizing only the supply portion amounting to Rs. 2.94 crore, representing the total price for the supply of all items required for establishing the backup e-Watch server. The remaining Rs. 2.92 crore pertains to the service component, which includes the cost of installation, commissioning, 3 years of Annual Maintenance Contract (AMC), and 3 years of Security Audit, and is therefore being claimed under Repair & Maintenance (R&M) expenses starting from FY 2026-27 onwards for a period of three years.

Additionally, an amount of Rs. 1.13 crore has been incurred towards installation and service costs associated with the shifting of the existing e-Watch Server from SLDC Vidyut Bhawan to Breda Bhawan, which is also being claimed under R&M for FY 2026-27. The break-up of the total project cost is enclosed in Annexure-D for the ready reference of the Hon'ble Commission.

The Board of Directors (BoD) approval letter, Detailed Project Report (DPR), and NIT notification for this project are also enclosed in Annexure-D. Accordingly, SLDC respectfully requests the Hon'ble Bihar Electricity Regulatory Commission (BERC) to grant prior regulatory approval for the same.



(4) Annual Performance Review (APR) for FY 2025-26

4.1 Background

SLDC has filed Annual Performance Review (APR) for FY 2025-26 as compared to the ARR approved for FY 2025-26 vide Tariff Order dated 28th March 2025. The APR is filed in accordance with relevant provisions of MYT Regulations, 2024. Regulation 7 and Regulation 13 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024 provides for the Annual Performance Review to be undertaken under MYT framework. The relevant extracts are as follows:

"7 Annual Review of Performance and True-up

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

13 True-Up and Annual Performance Review

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

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

SLDC has estimated the APR for FY 2025-26 as per the above principles provided in the MYT Regulations, 2024 and the same is detailed in the following sections.

4.2 Capital Expenditure and Capitalization

SLDC respectfully submits that the details of projects undertaken during FY 2025-26 and FY 2026-27, along with the supporting documentary evidence for prior approval, have been provided in detail in Chapter 3 of this Petition. SLDC therefore humbly prays that the Hon'ble Commission may kindly approve the proposed capital expenditure and capitalization as claimed in the said chapter for FY 2025-26.

Further, SLDC has projected the capital expenditure and capitalization for FY 2025-26 based on the current status of all ongoing projects. The following table presents the approved and estimated capital expenditure and capitalization considered in the Annual Performance Review (APR) for FY 2025-26.:



Table 4-1: Capital Expenditure and Capitalization of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Capital Expenditure	0.00	0.65
2	Capitalisation	0.00	0.65

Accordingly, SLDC requests the Hon'ble Commission to consider and approve the Capex and Capitalization for Review of FY 2025-26 as shown in the table above.

4.3 Gross Fixed Asset (GFA)

SLDC has considered the closing balance of FY 2024-25 as the opening balance of GFA for FY 2025-26. The following table shows the details of GFA addition estimated for FY 2025-26 and approved GFA vide Tariff Order dated 28th March 2025.

Table 4-2: Gross Fixed Assets (GFA) of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Opening GFA	61.17	60.39
2	Addition during the year	0.00	0.65
3	Closing GFA	61.17	61.04

Therefore, SLDC requests the Hon'ble Commission to consider and approve the asset addition & closing GFA in revised APR for FY 2025-26.

4.4 Depreciation

SLDC submits that it has calculated Depreciation in accordance with Regulation 23 (ii) of BERC MYT Regulations, 2024. The relevant extract of the Regulation is as follows:

".....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, provided that remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the transmission system and/or SLDC asset shall be spread over the balance useful life of the assets at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time or as provided in Appendix-III of these Regulations.



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. Provided further that the cost of lease hold land shall be amortised evenly within the leased period."

It is respectfully submitted that the BSPTCL is in the pre-tendering stage for preparation of Fixed Assets Register. Further, in absence of the proper Fixed Assets Register SLDC is not in the position to comply with the above regulation.

Therefore, it is requested to the Hon'ble Commission to kindly consider the same and allow time to the SLDC for complying with the above regulation.

Above Regulation provides that the rate of depreciation should be considered as specified by the Central Electricity Regulatory Commission. SLDC has calculated the weighted average rate of depreciation for APR of FY 2025-26 considering the depreciation rates specified by the Central Electricity Regulatory Commission.

Accordingly, SLDC has computed weighted average rate of Depreciation on pro-rata basis for GFA addition of FY 2025-26. Detailed computation of weighted average rate of depreciation on GFA addition are as follows:



Table 4-3: Weighted Average rate of Depreciation for the FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	Opening Assets for FY 2025-26	Additions during the Year	Closing Assets for FY 2025-26	Average Assets	Rate of Depreciation	Depreciation for FY 2025-26
		A	B	C=A+B	D=(A+C)/2	E	F=D*E
1	Software and licensing @ DC	7.92		7.92	7.92	15%	1.19
2	Hardware at DC	2.09		2.09	2.09	15%	0.31
3	Cyber Security Operation Centre - IT	6.82		6.82	6.82	15%	1.02
4	Cyber Security Operation Centre - Non- IT	1.01		1.01	1.01	3.34%	0.03
5	Automated System balancing Mechanism-IT	37.13		37.13	37.13	15.00%	5.57
6	ASBM-other civil works	4.30		4.30	4.30	3.34%	0.14
7	ASBM-furniture and fixtures	1.11		1.11	1.11	6.33%	0.07
8	Installation of 2X315KVA DSS for providing new 150KVA HT power connection in Back up control , Gaya.		0.34	0.34	0.17	4.22%	0.01
9	Installation of 11/0.433 KVA X 2 additional DT for providing 300 KVA HTS-1 Connection under ESSD Board Colony, ESD New Capital, PESU (W), Patna		0.30	0.30	0.15	4.22%	0.01
10	Total	60.39	43.92		60.71		8.36
11	Average rate of Depreciation in (%)						13.76%



Table 4-4: Total Depreciation for the FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Opening GFA	61.17	60.39
2	Addition during the year	0.00	0.65
3	Closing GFA	61.17	61.04
4	Average GFA	61.17	60.72
5	Weighted Average rate of depreciation on opening GFA	13.80%	13.76%
6	Weighted average rate of depreciation on addition during the year		
7	Depreciation	8.44	8.36

Accordingly, SLDC requests the Hon'ble Commission to consider and approve Depreciation for review of FY 2025-26 as claimed.

4.5 Operation and Maintenance Expenses

Regulation 21 of the BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2024 provides that the Operation and Maintenance (O&M) Expenses shall comprise of the following elements:

- Employee Expenses
- Repair and Maintenance (R&M) Expenses
- Administrative and General (A&G) Expenses

The relevant extracts are as follows:

"21. Operation and Maintenance Expenses

(a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.

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

(b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personnel per bay



(for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per substation for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses."

In line with the above provisions, SLDC submits the details of O&M expenses under the above heads based on the norms approved by the Hon'ble Commission in the MYT Order dated 28th March 2025 and as specified in BERC MYT Regulations, 2024 for consideration & approval of the Hon'ble Commission.

4.5.1. Employee Expenses

Employee Expenses comprises of 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.

Further, Regulation 21.1 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024 specifies that the employee cost shall be computed as per the approved norm escalated by Consumer Price Index (CPI) for immediately preceding three years. The relevant extracts are as follows:

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

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

Where:

EMP_n : Employee expense for the year n

EMP_b : Employee expense as per the norm

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

In accordance with the above Regulations, SLDC has considered the escalation of CPI indices up to March 2025 and accordingly computed rate of escalation of base year employee expenses. The detail computation are as follows:



Table 4-5: Computation of CPI inflation considered for FY 2025-26

Particulars					Estimate
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual Average CPI Index	356	378	397	411	
CPI Inflation		6.05%	5.19%	3.38%	4.87%

Further, the Hon'ble Commission has not prescribed any norm for the projection of employee expenses, hence, in line with the practice followed in the previous tariff orders, SLDC has considered the actual employee expenses for the FY 2024-25 as base and has escalated the same with inflation rate of 4.87% to arrive at the normative employee expenses for FY 2024-25, as shown in the Table below:

Table 4-6: Employee Expenses of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Base year Employee expenses	6.71	6.83
2	Indexation %	5.46%	4.87%
3	Inflationary increase	0.37	0.33
4	Employee Expenses	7.07	7.16

Accordingly, SLDC requests the Hon'ble Commission to consider and approve Employee Cost for review of FY 2025-26 as shown in the table above.

4.5.2. Repairs and Maintenance Expenses (R&M)

Regulation 21.2 of BERC MYT Regulations, 2024 specifies provisions for computation of R&M expenses. The relevant extract of the Regulation is as follows:

"21.2 Repairs and Maintenance (R&M) Expense

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

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

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year



Kb : Percentage point as per the norm."

In addition to the above, SLDC has considered certain essential R&M activities that are directly linked to the reliable and secure operation of the SLDC's critical infrastructure. These include the Deployment of FEP and ICCP Firewall in the SCADA System, Upgradation of SAMAST, and OS Upgradation of SCADA Workstations. The deployment of FEP and ICCP firewall is necessary to strengthen cyber security layers and ensure seamless data exchange with RLDC and other utilities. The upgradation of SAMAST is required to maintain compatibility with evolving regulatory requirements and system enhancements, while OS upgradation of SCADA workstations is essential for continued OEM support, improved system stability, and enhanced cyber security compliance.

These activities form part of routine system upkeep and operational sustainability and hence qualify as Repair and Maintenance (R&M) expenses rather than new capital works. The relevant bills and supporting documents have been enclosed as Annexure II to this Petition. The computation of R&M expenses for the review of FY 2025 26 is presented in the table below:

Table 4-7: R&M Expenses of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Opening GFA		60.39
2	Percentage Point		0.00%
3	R&M Expenses (Without AMC)		0.00
4	Certification of ISMS ISO 27001	0.03	0.03
5	AMC for SAMAST Software	2.36	2.36
6	AMC of SCADA Centre Phase 2	0.03	0.02
7	AMC of EMS/SCADA upgradation Project Phase 3	0.02	0.00
8	R&M Expenses for ASBM	5.88	5.88
9	AMC for C-SOC	1.05	1.05
10	Deployment of FEP and ICCP firewall in SCADA System	0.00	0.19
11	Upgradation of SAMAST	0.00	1.50
12	OS Upgradation of SCADA workstations	0.00	0.04
13	Total R&M expenses	9.37	11.07



Accordingly, the Hon'ble Commission is requested to consider and approve R&M Expenses in APR of FY 2025-26 as claimed by SLDC.

4.5.3. Administration and General Expenses (A&G)

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

Regulation 21.3 of BERC MYT Regulations, 2024 provides for escalation of base value norms for consideration of A&G Expenses. The relevant extracts are as follows:

"21.3 Administrative and General (A&G) Expense

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

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

Where:

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

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

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

In line with the above provisions, SLDC has considered average escalation of CPI and WPI indices with weightage of 40:60 respectively for immediately preceding three years (i.e., FY 2022-23, FY 2023-24 and FY 2024-25) on the actual A&G expenses as per the Audited Accounts for the FY 2024-25 to compute Normative A&G Expenses of FY 2025-26.

Further, SLDC submits that the change in the WPI during FY 2023-24 was negative. In this regard, Regulation 21 (g) of BERC MYT Tariff Regulations, 2024 provides as follows:

"Provided that in case the average yearly inflation derived based on the monthly CPI and WPI indices is negative for a particular year, the same will be excluded from the computation of yearly inflation"



Based on the above regulation, SLDC has considered the average WPI inflation during FY 2025-26 as an average WPI of FY 2022-23 and FY 2024-25. The details of the same is shown in the Table below:

Table 4-8: WPI: CPI inflation considered for A&G Expenses of FY 2025-26

Particulars	Actual				Estimate
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual Average CPI Index	356	378	397	411	
CPI Inflation		6.05%	5.19%	3.38%	4.87%
Annual Average WPI Index	139	153	151	155	
WPI Inflation		9.41%	-0.73%	2.27%	5.84%
WPI : CPI(60:40)					5.45%

Based on above, the following Table shows the computation of A&G expenses for review of FY 2025-26.

Table 4-9: A&G Expenses of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Base year A&G expenses	1.12	0.97
2	Indexation %	7.90%	5.45%
3	Inflationary increase	0.09	0.05
4	A&G Expenses	1.21	1.02

Accordingly, SLDC requests the Hon'ble Commission to consider and approve the A&G Expenses for review of FY 2025-26 as claimed.

4.5.4. Summary of O&M Expenses of FY 2025-26

Based on above paras, SLDC has summarised O&M Expenses for review of FY 2025-26 as follows:



Table 4-10: Summary of O&M Expenses of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Employee Expenses	7.07	7.16
2	R&M Expenses	9.37	11.07
3	A&G Expenses	1.21	1.02
4	Total	17.65	19.26

Accordingly, the Hon'ble Commission is requested to approve O&M Expenses in APR of FY 2025-26 as claimed by SLDC.

4.6 Means of Finance

Regulation 22 (a) of BERC MYT Regulations, 2024, provides as follows:

"22. Return on Equity

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

Further, Regulation 24 (b) of BERC MYT Regulations, 2024 specifies provisions for loan addition of Normative Loan. The relevant extracts are as follows:

"24. Interest and finance charges on loan capital

-(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan: Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan...."

SLDC has arrived at the means of finance for the projects in accordance with the above Regulations. Accordingly, SLDC submits that for the purpose of funding, it has computed Net Asset expected to be capitalized during FY 2025-26 after deducting the amount estimated to be capitalised on account of grant received from PSDF and Deposit works. Further, SLDC has considered the Debt Equity ratio in line with the approach adopted by the Hon'ble Commission in previous Tariff Orders. The scheme wise Debt Equity of capitalised projects of FY 2025-26 for the purpose of Loan and Equity addition is shown in the Table below:



Table 4-11: Means of Finance of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	Claimed in APR FY 2025-26
1	Total Capitalisation	0.65
2	Funding Through Loans (70%)	0.45
3	Funding through Equity (30%)	0.19

Accordingly, SLDC requests the Hon'ble BEREC to consider and approve the above calculation for Normative Equity and Loan addition for Review of FY 2025-26.

4.7 Interest and Finance Charges

SLDC has considered the closing balance of normative loan in Truing-up of FY 2024-25 as the normative opening balance of loan for FY 2025-26 and Normative loan addition has been claimed as per the Means of Finance discussed above.

Further, in accordance with Regulation 24(e) of MYT Regulations, 2024 normative repayment of loans has been considered equivalent to Depreciation of FY 2025-26.

Therefore, SLDC submits that it has claimed weighted average rate of Interest in line with the methodology adopted by the Hon'ble Commission vide Tariff Order dated 28th March 2025. The details of normative loans outstanding at the beginning of FY 2025-26 and applicable interest rates are as shown in the Table below:

Table 4-12: Interest and Finance Charges of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Opening Loan	31.68	57.55
2	Addition during the year	0.00	0.45
3	Normative Repayment (Equal to Depreciation)	8.44	8.36
4	Closing Loan	23.24	49.65
5	Average Loan	27.46	53.60
6	Interest Rate (%)	8.57%	8.88%
7	Interest on Loan	2.35	4.76
8	Other Finance Charges	0.00	0.00
9	Interest and Finance Charges	2.35	4.76



Accordingly, the Hon'ble Commission is requested to consider and approve the Interest and Finance Charges in APR of FY 2025-26 as claimed by SLDC.

4.8 Return on Equity

SLDC submits that it has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2024, as reproduced below:

"22. Return on Equity

.....(c) Rate of return on equity shall be not more than 14.0% for all the projects."

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

"27. Tax on Return on Equity

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

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

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

SLDC has worked out the Return on Equity as per Regulation 22 of BERC MYT Regulations, 2024 as mentioned above. The Petitioner submits that the asset base has been divided into two parts; (a) assets that have attained COD on or before 31.03.2025 and (b) assets that have attained COD on or after 01.04.2025. The rate of return on equity has been considered 15.50% for assets that have attained COD on or before 31.03.2025 and 14% for assets that have attained COD on or after 01.04.2025. The Petitioner also submits that the effective MAT rate inclusive of surcharge and cess has been considered at 17.47%. Accordingly, the overall Return on Equity has been worked out for FY 2025-26 as summarised in the table below:



Table 4-13: Return on Equity of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
A.	Equity on projects commissioned after 01.04.2025		
1	Opening Equity	18.36	0.00
2	Addition during the year	0.00	0.19
3	Closing Equity	18.36	0.19
4	Average Equity	18.36	0.10
5	Rate of Return on Equity	14.00%	14.00%
6	MAT Rate%	17.47%	17.47%
7	Effective Rate of Return on Equity	16.96%	16.96%
8	Return on Equity (A)	3.11	0.02
B	For assets that have attained COD before 01.04.2025		
1	Opening Equity		29.40
2	Equity addition		0.00
3	Closing Equity		29.40
4	Average Equity		29.40
5	Base Rate of Return on Equity%		15.50%
6	Tax on Rate of Return on Equity		17.47%
7	Rate of Return on Equity%		18.78%
8	Return on Equity (B)		5.52
	Total Return on Equity (A+B)	3.11	5.54

Therefore, SLDC requests the Hon'ble Commission to approve the pre-tax Return on Equity for review of FY 2025-26 as shown in the table above.

4.9 Interest on Working Capital

SLDC has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulations, 2024. The relevant extracts are 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 45 days of annual transmission charges calculated on target availability level.

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

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

Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges as reflected in the Audited Accounts excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses.

Less:

(iv) Return on equity and contribution to contingency reserves equivalent to 45 days.

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

(b) Interest on working capital shall be on normative basis, notwithstanding that the transmission licensee and/or SLDC has not taken a loan for working capital from any outside agency and rate of interest shall be equal to the State Bank (one-year tenor) 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....."

SLDC has arrived at the normative working capital requirement in accordance with the above regulation. Further, SLDC has considered the State Bank of India (SBI) one-year MCLR as on 15.09.2025 and added 150 basis point to compute interest rate for Working Capital. The SBI 01-year (tenure) MCLR as on 15.09.2025 is 8.75%. Accordingly, interest rate has been considered as 10.25% (8.75%+1.50%). The computation of weighted average rate of interest is shown in the Table below:

Table 4-14: Weighted Average Rate of SBI MCLR One Year Tenure

Particulars	Rate of Interest
SBI MCLR effective from 15 th September 2024	8.75%
ADD: 150 Basis Point	1.50%
Interest Rate for Working Capital	10.25%

The calculation of interest on Working Capital as per the principles discussed above is detailed below along with the approved figures for the FY 2025-26.



Table 4-15: Interest on Working Capital of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Receivables equivalent to two (2) months	3.89	6.31
2	O&M Expenses of one month	1.47	1.60
3	Maintenance spares @ 40% of 1-month R&M expenses	0.31	0.37
4	Less: Return on equity and contribution to contingency reserves for 2 months	0.38	0.68
5	Total Working Capital	5.29	7.60
6	Rate of Interest on Working Capital (%)	10.00%	10.25%
7	Interest on Working Capital	0.53	0.78

Therefore, SLDC requests the Hon'ble Commission to approve the Interest on Working Capital in APR of FY 2025-26 as shown in the table above.

4.10 Non-Tariff Income

SLDC submits that it has considered Non-Tariff Income for FY 2025-26 at the same level as FY 2024-25 as per methodology adopted by Hon'ble Commission in the MYT Order. Any variation in Non-Tariff Income shall be submitted at the time of true-up for FY 2025-26.

The calculation of Non-Tariff Income claimed for review of FY 2025-26 is shown below:

Table 4-16: Non-Tariff Income of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	STOA Charges		0.498
2	Miscellaneous Receipts		0.003
3	Application fee received		0.000
4	Interest from Bank		0.338
4	Non-Tariff Income	0.57	0.84

Therefore, SLDC requests the Hon'ble Commission to consider and approve the Non-Tariff Income in review of FY 2025-26 as claimed.



4.11 Aggregate Revenue Requirement of FY 2025-26

Based on the above paras, SLDC has summarised Aggregate Revenue Requirement along with approved figures for review of FY 2025-26 as follows.

Table 4-17: Aggregate Revenue Requirement of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	O&M cost	17.65	19.26
a	Employee cost	7.07	7.16
b	R&M expenses	9.37	11.07
c	A&G expenses	1.21	1.02
2	Depreciation	8.44	8.36
3	Interest on Loan Capital	2.35	4.76
4	Interest on Working Capital	0.53	0.78
5	Return on Equity	3.11	5.54
6	Less: Non-Tariff Income	0.57	0.84
7	Total ARR	31.51	37.85

Accordingly, SLDC requests the Hon'ble Commission to consider and approve the Annual Revenue Requirement for review of FY 2025-26 as shown in the table above.

4.12 Revenue Gap/(Surplus) for FY 2025-26

The Hon'ble Commission vide Tariff Order dated 28th March 2025 approved Annual Revenue requirement of Rs. 31.51 Crore for FY 2025-26 and surplus of FY 2024-25 along with holding cost as Rs.0.62 Cr. Accordingly, the Hon'ble Commission approved Annual SLDC Operating Charges for FY 2025-26 as Rs. 30.90 Cr. Therefore, SLDC has considered the approved SLDC Operating Charges charges as above as revenue in APR of FY 2025-26.



Table 4-18: Revenue Gap/(Surplus) of FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26	
		Approved in Tariff Order dated 28.03.2025	Claimed in APR FY 2025-26
1	Aggregate Revenue Requirement for FY 2025-26	31.51	37.85
2	Trued up Revenue Gap/(Surplus) of FY 2024-25 with carrying cost	(0.62)	(0.62)
3	Net Revenue Requirement for FY 2024-25	30.90	37.23
4	Less: Annual SLDC charges Approved by Commission for FY 2024-25 in Tariff Order	30.90	30.90
5	Revenue Gap /(Surplus) for the year (3-4)	0.00	6.33

Accordingly, SLDC requests the Hon'ble Commission to consider and approve the Revenue surplus in review of FY 2025-26 as shown in the table above.

In regards to the carry forward/passing of gap/surplus for the year under review, Regulation 13 (f) stipulates that,

"13. True-Up and Annual Performance Review...

... (f) Notwithstanding anything contained in regulation 4 of these Regulations, the Revenue gap/surplus arising out of Truing up shall be considered by the Commission while determining the ARR of ensuing year(s). While approving adjustments towards revenue/expenses in future years, arising out of Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenues. However, the revised estimated gap/surplus as a result of APR may or may not be passed in the ARR of ensuing year.

In view of the above regulation and principle adopted by the Hon'ble BERC in previous tariff orders, the Revenue surplus worked out in the APR of FY 2025-26 is not proposed to be passed through in the Tariff for FY 2026-27.



(5) Annual Revenue Requirement for the FY 2026-27

5.1. Background

The Hon'ble BERC has notified its BERC MYT Tariff Regulations, 2024 w.e.f. from 01.04.2025 and shall remain applicable during Control Period for FY 2025-26 to FY 2027-28.

Regulation 11.3 of BERC MYT Regulations, 2024 requires the Licensee to file an application for approval of Annual Revenue Requirement for the entire Control Period under MYT Tariff Framework. The relevant extracts are as follows:

"11.3 An application (alongwith soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period. ... (Emphasis Added)."

Accordingly, SLDC had computed the ARR for each year of the upcoming Control Period from FY 2025-26 to FY 2027-28 in line with the BERC MYT Tariff Regulations, 2024. The Hon'ble Commission approved the ARR through the Tariff Order dated 28th March 2025. SLDC is now filing the revised ARR for FY 2026-27 based on Annual Performance Review for FY 2025-26.

5.2. Capital Expenditure and Capitalization

SLDC respectfully submits that the projects claimed herein are proposed for prior approval in Chapter 3 of this Petition, along with all requisite supporting approvals. SLDC therefore humbly prays that the Hon'ble Commission may kindly approve the same.

The scheme "Design, Supply, Erection, Testing and Commissioning for Implementation of Islanding Scheme for the City of Patna", with a total project cost of ₹9.79 crore, has been sanctioned under the Power System Development Fund (PSDF), wherein funding to the extent of ₹7.74 crore has been approved. Accordingly, only the balance amount of ₹2.05 crore, representing the portion financed by SLDC, has been considered for capitalization.

Further, the scheme "Precision AC Installation at Breda Bhawan", with a total project cost of ₹1.00 crore, has been apportioned appropriately between Capital Expenditure and Repair & Maintenance (R&M) heads. Out of the total cost, ₹0.70 crore has been considered for capitalization, while ₹0.30 crore is proposed to be claimed under R&M



from FY 2027-28 onwards for a period of five years, commensurate with the useful life and maintenance requirements of the installed system.

SLDC respectfully submits that both the above schemes are critical for ensuring system reliability, operational efficiency, and adherence to regulatory and technical standards. The following table presents the projected capital expenditure and capitalization for FY 2026-27:

Table 5-1: Breakup of Capital Expenditure and Capitalization of FY 2026-27 (Rs. Cr.)

Sl. No	Mode of Funding	Name of the Project	Project Cost	PSDF	Capex	Capitalization
			(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	PSDF+ IRF	Design, Supply, Erection, Testing and Commissioning for Implementation of Islanding Scheme for the city of Patna	9.79	7.74	2.05	2.05
2		Precision AC installation at Breda Bhawan	1	-	0.7	0.7
3		Backup eWatch Server at the Backup SLDC, Chandauti GSS	2.94		2.94	2.94
Total			13.73	7.74	5.69	5.69

Table 5-2: Capital Expenditure and Capitalization of FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order dated 28th March 2025	Projected in ARR FY 2026-27
1	Capital Expenditure	0.00	13.73
2	Total Capitalisation	0.00	13.73
3	Total Capitalisation (excluding Capitalization through grants)	0.00	5.69



Accordingly, SLDC requests the Hon'ble Commission to approve the Capital Expenditure and Capitalization for FY 2026-27 as projected above.

5.3. Gross Fixed Asset (GFA)

SLDC has considered the opening GFA for FY 2026-27 equal to the closing GFA estimated in APR of FY 2025-26. The addition to GFA is considered based on the estimated capitalisation for the FY 2026-27 as discussed in the above para. The following Table shows the schedule of Gross Fixed Asset as projected for ARR of FY 2026-27:

Table 5-3: Gross Fixed Assets (GFA) of FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order dated 28th March 2025	Projected in ARR FY 2026-27
1	Opening GFA	61.17	61.04
2	Addition during the year	0.00	5.69
3	Closing GFA	61.17	66.74

Therefore, it is requested that the Hon'ble Commission may consider and approve the addition and Closing GFA as projected for FY 2026-27.

5.4. Depreciation

Regulation 23 (ii) of the BERC MYT Tariff Regulations, 2024 provides as follows:

".....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, provided that remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the transmission system and/or SLDC asset shall be spread over the balance useful life of the assets at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time or as provided in Appendix-III of these Regulations.

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. Provided further that the cost of lease hold land shall be amortised evenly within the leased period."



It is respectfully submitted that the BSPTCL is in the pre-tendering stage for preparation of Fixed Assets Register. Further, in absence of the proper Fixed Assets Register SLDC is not in the position to comply with the above regulation.

Therefore, it is requested to the Hon'ble Commission to kindly consider the same and allow time to the SLDC for complying with the above regulation.

Above Regulation provides that the rate of depreciation should be considered as specified by the Central Electricity Regulatory Commission. SLDC has calculated the weighted average rate of depreciation for ARR of FY 2026-27 considering the depreciation rates specified by the Central Electricity Regulatory Commission.

Accordingly, SLDC has considered the weighted average rate of depreciation separately for existing assets and new assets as mentioned in the table below:



Table 5-4: Weighted Average Depreciation for the FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Opening Assets for FY 2026-27	Additions during the Year	Closing Assets for FY 2026-27	Average Assets	Rate of Depreciation	Depreciation for FY 2026-27
		A	B	C=A+B	$D=(A+C)/2$	E	F=D*E
1	Software and licensing @ DC	7.92		7.92	7.92	15%	1.19
2	Hardware at DC	2.09		2.09	2.09	15%	0.31
3	Cyber Security Operation Centre - IT	6.82		6.82	6.82	15%	1.02
4	Cyber Security Operation Centre - Non- IT	1.01		1.01	1.01	3.34%	0.03
5	Automated System balancing Mechanism-IT	37.13		37.13	37.13	15.00%	5.57
6	ASBM-other civil works	4.30		4.30	4.30	3.34%	0.14
7	ASBM-furniture and fixtures	1.11		1.11	1.11	6.33%	0.07
8	Installation of 2X315KVA DSS for providing new 150KVA HT power connection in Back up control , Gaya.	0.34		0.34	0.34	4.22%	0.01
9	Installation of 11/0.433 KVA X 2 additional DT for providing 300 KVA HTS-1 Connection under ESSD Board Colony, ESD New Capital, PESU (W), Patna	0.30		0.30	0.30	4.22%	0.01
10	Islanding Schemes		2.05	2.05	1.02	4.22%	0.04
11	Breda AC precision		0.70	0.70	0.35	4.22%	0.01
12	Establishment of EWATCH Server for ABT Meter at Back Up SLDC Chandauti GSS		2.95	2.95	1.47	15%	0.22
13	Total	61.04	5.69		63.88		8.65
14	Average rate of Depreciation in (%)						13.54%



Table 5-5: Total Depreciation for the FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order dated 28th March 2025	Projected in ARR FY 2026-27
1	Opening GFA	61.17	61.04
2	Addition during the year	0.00	5.69
3	Closing GFA	61.17	66.74
4	Average GFA	61.17	63.89
5	Weighted Average rate of depreciation on opening GFA	12.23%	13.54%
6	Weighted average rate of depreciation on addition during the year		
7	Depreciation	7.48	8.65

Therefore, SLDC requests the Hon'ble Commission to consider and approve the Depreciation for the FY 2026-27 as shown in the above table.

5.5. Operation and Maintenance Expenses

Regulation 21 of the BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2024 provides that the Operation and Maintenance (O&M) Expenses shall comprise of the following elements:

- Employee Expenses
- Repair and Maintenance (R&M) Expenses
- Administrative and General (A&G) Expenses

SLDC submits the details of O&M expenses under the above heads based on the actuals/estimates for consideration & approval of the Hon'ble Commission.

6.6.1. Employee Expenses

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.

Further, Regulation 21.1 of BERC MYT Regulations, 2024 specifies that the employee cost shall be computed as per the approved norms escalated by average increase in CPI for immediately preceding three years. The relevant excerpt of the regulation is as follows:



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

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

Where:

EMP_n : Employee expense for the year n

EMP_b : Employee expense as per the norm

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

In accordance with the above Regulations, SLDC has considered the increase in the CPI indices up to March 2025 and accordingly computed rate of escalation of base year employee expenses. The detail computation are as follows:

Table 5-6: Computation of CPI Inflation considered for FY 2026-27

Particulars					Estimate
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual Average CPI Index	356	378	397	411	
CPI Inflation		6.05%	5.19%	3.38%	4.87%

Further, the Hon'ble Commission has not prescribed any norm for the projection of employee expenses, hence, in line with the practice followed in the previous tariff orders, SLDC has considered the estimated employee expenses for the FY 2025-26 in the proposed APR as base and has escalated the same by the average CPI inflation rate of 4.87% to arrive at the normative employee expenses for the FY 2026-27.

In line with above submissions, the following Table shows the computation of Normative Employee Expenses of FY 2026-27:



Table 5-7: Employee Expenses of FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order dated 28th March 2025	Projected in ARR FY 2026-27
1	Base year Employee expenses	7.07	7.16
2	Indexation %	5.46%	4.87%
3	Inflationary increase	0.39	0.35
4	Employee Expenses	7.46	7.51

Accordingly, the Hon'ble Commission is requested to consider and approve the Normative Employee Expenses as claimed in the above table for FY 2026-27.

6.6.2. Repairs and Maintenance Expenses (R&M)

Regulation 21.2 of MYT Regulations, 2024 specifies provisions for computation of R&M expenses, the relevant extract of the Regulation is as follows:

"21.2 Repairs and Maintenance (R&M) Expense

*Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:
 $R\&M_n = K_b * GFAn$*

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm."

It is submitted that the Hon'ble Commission has not prescribed any norm for the projection of R&M expenses for SLDC functions.

However, SLDC has considered the same cost for R&M as approved by the Hon'ble BERC in Tariff Order dated 28th March 2025 along with additional essential activities necessary for maintaining the reliability and continuity of SLDC operations.

These include retrofitting of nodes (CPU) in existing RTUs to enable multiple reporting at different control centres and to ensure proper functioning of 88 RTUs installed at various GSSs of BSPTCL, which has been undertaken to maintain compatibility with the upgraded control infrastructure and ensure seamless telemetry between field



substations and control centres. The relevant supporting bills for the retrofitting work are enclosed as Annexure-III of this Petition.

The remaining activities namely, AMC charges for Backup eWatch at Chandauti GSS, Cyber Security Audit charges for Backup eWatch at Chandauti GSS, and Installation and service cost for shifting of the eWatch Server from Vidyut Bhawan to BREDA Bhawan form part of the Detailed Project Report (DPR) for the Backup eWatch Server at the Backup SLDC, Chandauti GSS, as elaborated in Chapter 3 of this Petition. The AMC charges ensure continuous monitoring and preventive maintenance of the backup system, the cyber security audit maintains system integrity and data protection, and the installation and service cost relates to safe relocation and recommissioning of the server to ensure uninterrupted monitoring operations from the new SLDC premises. These activities collectively constitute essential maintenance measures required for sustained and reliable SLDC operations. SLDC therefore humbly prays that the Hon'ble Commission may kindly consider and approve the aforesaid expenditures under R&M expenses for the relevant year. The computation of R&M Expenses for review of FY 2026-27 is shown in the table below.



Table 5-8: R&M Expenses of FY 2026-27 (Rs. Cr.)

Sl. No.	Particulars	Approved in Tariff Order dated 28th March 2025	Projected in ARR FY 2026-27
1	Opening Gross Fixed Assets		61.04
2	Percentage point		0%
3	R&M Expenses (Without AMC)		0.00
4	Certification of ISMS ISO 27001	0.03	0.03
5	AMC for SAMAST Software	2.36	2.36
6	AMC of EMS/SCADA upgradation Project Phase 3	0.00	0.02
7	R&M Expenses for ASBM	5.88	5.88
8	AMC for C-SOC	1.05	1.05
9	AMC Charges for Backup eWatch at Chandauti GSS	0.00	0.44
10	Cyber security Audit Charges for Backup ewatch at Chandauti GSS	0.00	0.41
11	Installation and service cost for shifting of eWatch Server from existing SLDC at Vidyut Bhawan to BREDA Bhawan.	0.00	0.12
12	Retrofitting of nodes (CPU) in existing RTU to enable multiple reporting at different control centres and other associated work for proper working of 88 Nos. of RTUs (Ramsdaq make) installed at various Grid Substation of BSPTCL	0.00	4.90
13	Total	9.32	15.21

Therefore, SLDC requests the Hon'ble Commission to approve the R&M Expenses - for FY 2026-27 as claimed in the table above.

6.6.3. Administration and General Expenses (A&G)

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

Regulation 21.3 of BERC MYT Regulations, 2024 provides for escalation of base value norms for consideration of A&G Expenses. The relevant extracts are as follows:

"21.3 Administrative and General (A&G) Expense

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