

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
5th Floor, Metro Plaza, Bittan Market, E-5 Arera Colony, Bhopal - 462 016



Petition No. 28/2014

PRESENT:

Dr. Dev Raj Birdi Chairman

A. B. Bajpai, Member

Alok Gupta, Member

IN THE MATTER OF:

Levy and Collection of Fee and Charges by State Load Despatch Centre (SLDC) Jabalpur for FY 2015-16.

State Load Despatch Centre (SLDC), MPPTCL Jabalpur - Petitioner

Versus

- 1. M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd, Jabalpur**
- 2. M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd, Bhopal**
- 3. M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd, Indore**
- 4. M.P. Audyogik Kendra Vikas Nigam Ltd. (SEZ), Indore**
- 5. M.P. Power Management Co. Ltd., Jabalpur**
- 6. M.P. Power Transmission Company Ltd., Jabalpur**
- 7. M. P. Power Generating Co. Ltd., Jabalpur**
- 8. Narmada Hydro-Electric Development Corp. Ltd., Bhopal**
- 9. Narmada Valley Development Authority, Bhopal**
- 10. Jaiprakash Power Ventures Ltd., Uttar Pradesh**
- 11. BLA Power Private Limited, Mumbai**

- Respondents

ORDER

(Passed on this day of 31st March' 2015)

1. This order relates to petition No.28 of 2014 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as "SLDC") for "Levy & collection of fee & charges by SLDC for FY 2015-16" before Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as "the Commission"). In exercise of the powers conferred under section 31(1) of the Electricity Act, 2003, vide order No.2489/13/04 dated 17-05-2004, the Government of Madhya Pradesh notified the State Load Despatch Centre, Jabalpur as apex body to ensure integrated operation of the power system in the state, to be operated by the State Transmission Utility (hereinafter referred to as STU).
2. As per section 32(3) of the Electricity Act 2003, SLDC 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. In exercise of powers conferred under Section 183 of the Electricity Act, 2003, the Ministry of Power, Government of India issued an order for "Removal of Difficulties" on 8th June, 2005 (S.O. 795(E)) in respect of levy and collection of fees and charges for using the transmission systems. As per the order, "*the State Load Despatch Centre may levy and collect such fee and charges from the Licensees using the intra-state transmission system as may be specified by the State Commission*". Accordingly, SLDC charges are now payable by Licensees / users.
3. In exercise of powers under Section 181 (2) (g) of the Electricity Act, 2003, the Commission notified MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 (Revision 1, 2006) as amended from time to time. The subject petition is based on the aforesaid Regulations and its amendments.
4. First amendment to MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations' 2004 provides that SLDC is required to file a petition for SLDC Fee and Charges by 31st October every year.
5. Vide letter dated **21st October' 2014**, SLDC had sought time extension upto **30th November' 2014** for filing the petition for levy and collection of Fee and Charges by SLDC for FY 2015-16 on the ground that compilation of details and certified accounts of SLDC/ Sub LDC for preparation of the petition were likely to be completed by **20th November' 2014**.
6. Considering the above request of SLDC, it was allowed to file the petition for levy and collection of Fee and Charges for FY 2015-16 by **30th November' 2014**.

7. Vide No. 07-05/E&T/645-XII/4176 dated **29th November**, 2014, SLDC filed the subject petition for levy and collection of Fee and Charges by it for FY 2015-16.
8. The petitioner broadly submitted the following:
 - (i) *“State Load Despatch Centre (SLDC) is the apex body for scheduling and system operation in the State of MP, incorporated under Section 31 of Electricity Act 2003. In exercise of the Powers conferred under Section 31(1) of Electricity Act-2003, the Government of MP vide order No 2489/13/04 dated 17-05-2004 has notified the State Load Despatch Centre, Jabalpur as apex body to ensure integrated operation of the power system in the state, to be operated by the State Transmission Utility, hereinafter called as STU.*
 - (ii) *Under section 32(3) of Indian Electricity Act 2003, the Commission through its Regulation has directed the SLDC to file a petition in the matter of levy and collection of fee and charges by State Load Despatch Centre (SLDC) Jabalpur.*
 - (iii) *Under section 32(3) of IE Act 2003, the SLDC 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. The Ministry of Power, Govt of India, in exercise of powers conferred under section 183 of the Electricity Act 2003, issued an order for “Removal of Difficulties” on 8th June 2005 (S.O. 795(E)) in respect of levy and collection of fees and charges for using the transmission systems. As per the order, the State Load Despatch Centre may levy and collect such fee and charges from the licensees using the intra-state transmission system as may be specified by the State Commission.*
 - (iv) *This application for approval of SLDC fee and charges for the year 2015-16 is hereby submitted as per Madhya Pradesh Electricity Regulatory Commission (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 Revision-1, 2006 (Third Amendment) notified on 19th Nov 2010.*
 - (v) *The Fee and Charges to be levied and collected by SLDC from the licensees using the intra-state transmission system has been worked out exclusive of statutory taxes, levy, duty, CESS or any other kind of impost by the Government or any statutory authority. Such expenses if any, shall be borne by the licensees using the intra-state transmission system and shall be adjusted in the subsequent years. Some Open Access Customer had paid Application processing Fee after deducting TDS. However the amount of TDS is not claimed by SLDC.”*

9. Based on the above, State Load Despatch Centre filed the following revenue requirement for FY2015-16 :

<i>Sr.No.</i>	<i>Particulars</i>	<i>Amount(₹Lacs)</i>
1	<i>Employee Cost</i>	967.88
2	<i>Administration and General Charges</i>	175.01
3	<i>Repairs and Maintenance Expenses</i>	204.80
4	<i>Depreciation</i>	0.00
5	<i>Interest and finance charges</i>	15.91
6	<i>Return on equity/Investments</i>	0.00
7	<i>Provision for Income Tax</i>	0.00
Total		1363.60
	<i>Less: Other Income</i> (-)	3.00
Total Revenue Requirement for FY 2015-16		1360.60

In response to one of the observations of the Commission on scrutiny of the subject petition, SLDC revised and recomputed the ARR by considering 'Revenue from other charges' as given below:-

<i>Sr.No.</i>	<i>Particulars</i>	<i>Amount(₹Lacs)</i>
1	<i>Employee Cost</i>	967.88
2	<i>Administration and General Charges</i>	175.01
3	<i>Repairs and Maintenance Expenses</i>	204.80
4	<i>Depreciation</i>	0.00
5	<i>Interest and finance charges</i>	15.91
6	<i>Return on equity/Investments</i>	0.00
7	<i>Provision for Income Tax</i>	0.00
Total		1363.60
8	<i>Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee</i>	218.00
9.	<i>Less: Other Misc Income</i>	3.00
Net Revenue Requirement for FY 2015-16		1142.60

10. The petitioner also filed the actual expenses and income from other fee and charges in FY 2013-14 vis-a vis approved in the ARR of FY 2013-14 for reconciliation / true-up of the same in the ARR for FY 2015-16 as given below:

<i>(Amount ₹Lacs)</i>			
<i>Particular</i>	<i>Expenses as allowed in ARR for FY 2013-14</i>	<i>Actual Expenses for FY 2013-14</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>Employee Costs</i>	792.62	776.36	16.26
<i>Administration & general Expenses</i>	69.58	41.36	28.22
<i>Repairs & Maintenance</i>	254.57	255.62	-1.05

<i>Expenses</i>			
<i>Interest & Finance Charges</i>	0.00	0.06	-0.06
<i>Total</i>	1116.77	1073.40	43.37

The petitioner has also filed income from other fee and charges mentioned as below:

(Amount in Lacs of ₹)

<i>Particular</i>	<i>Income as allowed in ARR for FY 2013-14</i>	<i>Actual income for FY 2013-14</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>50% of Scheduling & Operating Charges.</i>	180	132.87	47.13
<i>Connectivity Charges</i>		16.05	-16.05
<i>Application Charges</i>		36.20	-36.20
<i>Sub Total</i>	180	185.12	-5.12
<i>Other miscellaneous receipts as mentioned in Form F2</i>	0	5.97	-5.97
<i>TOTAL</i>	180	191.09	-11.09

Accordingly, the net amount to be reconciled & adjusted (subtracted) in the ARR of FY 2015-16 is worked out to ₹ (43.37– (-11.09)) i.e. ₹ **54.46** Lacs.

11. The petitioner prayed the following:

- (i) “Approve and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2015-16 as submitted in the matter of Petition No. 28/2014.
- (ii) Issue suitable order for distribution of the Fee and Charges among the respondents using the intra-state transmission system.

12. Motion hearing in the matter was held on **6th January’ 2015**. Vide order dated **6th January’ 2015**, the petition was admitted and the petitioner was directed to serve copies of the petition on all the respondents. The respondents were also asked to file their response on the petition by **31st January’ 2015**. Vide letter dated **17th January’ 2015**, the petitioner confirmed that the copies of the petition have been served on all the respondents in the matter.

13. Vide letter dated **07th January’ 2015**, the information gaps / discrepancies observed in the petition were communicated to the petitioner and it was asked to file the response by **31st January’ 2015**. By affidavit dated **30th January’ 2015**, the petitioner filed its response on the issues raised by the Commission. Issue- wise response filed by petitioner is as given below:

- (i) **Issue:** The status of compliance with all the conditions mentioned in para 1.13 of Commission's order dated 10th April '2013 passed in Petition No. 88 of 2012 be submitted.

Response: *The details of capital expenditure plan for the period from FY 2014-15 to FY 2018-19 has been submitted as Annexure CPI alongwith the petition (28/2014). Further the point wise compliance to the directives mentioned in the order for SLDC Fee & Charges for FY 2013-14 dated 10th April' 2013 is submitted below:*

- *SLDC is maintaining proper record of capex fund, year wise details of SLDC Capex fund and Capital expenditure are shown in the enclosed Annexure- 1 & Annexure-2. The interest earned on the Capex funds are not available hence can not be furnished by SLDC.*
- *The works are completed in the best manner and within the approved financial resources*
- *Depending upon the urgency of work, the schedule of works has been reviewed and submitted along with the petition as Annexure CPI.*
- *The purchase of items, instruments, spares, installation and commissioning works etc. are processed through issue of enquiry, open tender, or through OEM in case proprietary item. Thus, the work is carried out in good quality and in line with the lowest possible prevailing market price.*
- *The updated physical and financial progress of each work has been filed with petition as Annexure-CPI and also provided in Form F15.*
- *The Capital work are organized & processed timely to ensure that the execution of the schemes is not affected and also to ensure timely utilization of the same.*
- *The capital works of SLDC are funded from internal resources i.e. from 50% of operation & Scheduling charges. The details regarding actual expenditure for FY 13-14 against plan for SLDC has been mentioned in Form-F15.*

- (ii) **Issue:** The Commission accorded in-principle approval to the five year rolling capital expenditure plan of SLDC for FY 2014-15 to FY 2016-17 in the order for levy and collection of fee and charges by SLDC for FY 2013-14. While according the aforesaid approval, the Commission had considered the year-wise total requirement and availability of Capex fund in Para 1.6 of the aforementioned order. With regard to the aforesaid, the following is observed in the subject petition:

- SLDC has submitted a revised chart indicating year-wise availability of Capex, previous year balance, Capex requirement and the cumulative surplus of Capex from FY 2014-15 to FY 2018-19.
- The aforesaid chart has been extended beyond the period of the approved five years Capex Plan and the figures for FY 2014-15 to FY 2016-17 are also at wide variance.
- In Para 7.8(2) of the petition, SLDC has mentioned several reasons for the changes made by it in the approved Capex with regard to some civil works and the “Battery bank for UPS and DCPS System” for FY 2014-15 and FY 2015-16.
- Based on the above, a revised work schedule (Capex Plan) for FY 2014-15 to FY 2018-19 is given in Annexure CP1 wherein the figures are not tallying with the figures mentioned for Capex in Form No. F-15.

In view of the above observations, SLDC is required to submit the following:

- The year-wise detailed break-up for its proposal for revision in Capex Plan already approved by the Commission.
- The changes in figures for the works completed in any financial year of the Capex Plan, CWIP and spill over works be mentioned under each head.
- The difference in capital expenditure approved for any year and to be revised for the same year be also mentioned.
- The reasons for any addition or reduction in the approved figure in any financial year be explained adequately.
- The year-wise Capex requirement approved by the Commission for FY 2012-13 to FY 2016-17 be considered by SLDC while changing the figures for any year (as shown in table under Para 7.8 of the petition). The basis for availability of fund for Capex and last year’s balance be explained.

Response: *The five year rolling capex plan of SLDC for the period from 2012-13 to 2016-17 was approved alongwith ARR for FY 2013-14. The capital works included in the plan were envisaged during the FY 2013-14, on the basis tentative scope of work and estimated costs. However, at the time of implementation execution, further technical details, scope of work, priority of work are reviewed. As such, depending upon the requirements, minor changes in the scope of work are required. The variance in approved cost and the proposed requirements for some of the capital works is mainly due to above reason. The details regarding yearwise status of capital works and projection alongwith the petition in compliance to regulation 12.4, MPERC (Levy & Collection of Fee & Charges by SLDC) Regulation 2006.*

Regarding projected schemes wise capex (New Project) & CWIP mentioned in form F-15 and the capital expenditure plan for future mentioned in Annexure CP-1 of the petition, it is submitted that in form F-15, the year wise breakup is given in column with heading "expenditure during the year", the year wise figures, in this column for FY 2014-15 & FY 2015-16 is matching with corresponding figure in CP-1.

The point wise reply to observation of Hon'ble Commission under the head Details of Capital Works is given below:-

- The already approved by Hon'ble Commission details of work and year wise detailed break-up of proposed requirement of capex fund is shown in Annexure- CP-1 of the petition. The details of works, for which the cost is different than the approved cost are as given in Annexure-4.
- The details of the works executed during FY 12-13 & FY 13-14 vis a vis the capital works approved by the Commission for the respective period are as mentioned in Annexure-3.
- The cost approved by Hon'ble Commission, revised cost, difference and reason for increase/decrease in cost are as mentioned in Annexure-4
- The reasons for any addition or reduction in the approved figure in any financial year is also mentioned in remark column of Annexure-4.
- The year wise requirement of fund for proposed capital works as well as availability of funds is submitted in para 7.8 of the petition where in availability of fund has been considered on the basis of income from other charges (i.e 50% of Operating & Scheduling Charges) approved by Hon'ble Commission for FY 2014-15. The availability of fund for FY 2015-16 is considered on the basis of projection of actual amount received up to October 2014. Further, projected income from Operating & Scheduling charges for FY 2016-17 to 2018-19 has been workout on the basis of projection for FY 15-16 with 10% escalation for subsequent years. The details of Capex requirement has been made on the basis of capital work in progress and proposed to be implemented during the FY 2014-15 to FY 2018-19, as shown in Annexure-CPI.

Further, it is submitted that the previous year balance of ₹400.51 lacs mentioned in para 7.8 of the petition, comprises of total amount received towards 50% of Operating Scheduling charges from the period FY 2006-07 to FY 2013-14 of ₹651.74 lacs as mentioned in Annexure-1 Less actual Capital Expenditure of ₹251.23 lacs as mentioned in Annexure-2, i.e (₹651.74 lacs- ₹251.23 lacs= ₹400.51 lacs).

- (iii) **Issue:** Details of the Capex show that SLDC has completed works of ₹2.50 lacs against the Capex works of ₹292.60 lacs for FY 2013-14 already approved by the Commission. Details regarding how the proposed Capex is mapped on the Capex already approved by the Commission be submitted.

Response: *The details of scheme-wise capital expenditure for the FY 12-13 & FY 13-14 has been enclosed herewith as Annexure- 3. The actual work of ₹2.56 lacs has comprises of Capitalization of AC Plant, staff recreation & rejuvenation facilities, conference system, Office equipment and development & design of SLDC Website. Further, capital work in progress of ₹25.85 lacs as mentioned in Form F15. However due to change in scope of work and price of the most of work has been rescheduled which is also mentioned in Annexure- CP-1.*

- (iv) **Issue:** SLDC has provided the details of revenue received against Fee and Charges from each Generating Company and Licensee whereas, a consolidated amount is shown in Form F-1 against revenue received from other charges. The break-up of the details of revenue received from each Generating Company/Licensee be submitted.

Response: *Regarding revenue details mentioned in Form F-1, it is submitted that under the head (a) “Revenue from fee & charges”, the amount of approved/projected Annual SLDC Charges are mentioned and under the head (b) “ Revenue from other charges” , the consolidated amount received from Short Open Access Customers towards Operation and Scheduling charges, Application processing Fee and Connection fee is indicated separately. As directed, the details of amount received from Open Access customers and generating companies for FY 2013-14 are been enclosed herewith as Annxure-5. The revenue from other charges projection towards FY 2015-16 are worked out on the basis of Income received up to Oct-14 from open Access Customers & Generating Companies and mentioned in form F-1.*

- (v) **Issue:** An amount of ₹3.00 lacs is shown in FY 2015-16 against other income. The actual other income has been ₹5.97 lacs in FY 2013-14. No amount against this head is shown for FY 2014-15 in Form No. F-2 The reasons for not considering any income in FY 2014-15 against this head in Format F-2 be explained.

Response: *The actual other income of ₹5.97 lacs mentioned in Form F-2 for FY 2013-14, comprises of the income due to interest earned on flexi-fix current Account with Bank and other Misc Income (i.e penalty from supplier, employee deduction towards water charges, house rent, bus charges, Sale of tender fee & Application Fee under RTI). Regarding the details filed in previous year petition,*

it is submitted that at the time of filing of petition for FY 14-15, the amount towards flexi-fix current account interest income was not available and hence no Provision was made in FY 14-15. Now for FY 15-16, a lump sum projection of income due to interest on flexi-fix current A/c with Bank and other misc income is made ₹3.00 lacs on the basis of interest income for the year FY13-14. However, actual other income will be considered in true-up process for FY 14-15.

- (vi) **Issues:** The Annual Revenue Requirement of any financial year is determined by the Commission after considering the other income and true-up amount. SLDC has considered only ₹3.00 lac as lump sum provision for FY 2015-16 instead of considering the total other income (which is considered by the Commission for determining ARR every year). Therefore, SLDC is required to consider the same and revise its claim for ARR in Para 10.0 of the petition else, the reasons for not considering all 'other income' in its claim for ARR be explained.

Response: Regarding the Annual Revenue Requirement of ₹1360.60 Lacs mentioned in form in S4 of the petition, it is submitted that the ARR comprises of mainly the Employee expenses, A&G Expenses, R&M Expenses and Interest & finance charges and less the income other than fee & charges. The income other than fee & charges is submitted in Form F-2, whereas the income from fee & charges is submitted in Form F-1.

However, as directed by Hon'ble Commission, ARR has been recomputed and submitted in the revised Form S-4 & Form F-1. Further, the Para 10.0 of the petition is also revised and re-submitted as below:-

Total Fee and Charges of SLDC:

Sr.No.	Particulars	Amount(₹Lacs)
1	Employee Cost	967.88
2	Administration and General Charges	175.01
3	Repairs and Maintenance Expenses	204.80
4	Depreciation	0.00
5	Interest and finance charges	15.91
6	Return on equity/Investments	0.00
7	Provision for Income Tax	0.00
Total		1363.60
8	Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee	218.00
9.	Less: Other Misc Income	3.00
Net Revenue Requirement for FY 2015-16		1142.60

- (vii) **Issue:** In Para 7.1 of the petition, it is mentioned that the projection for the specialist level and management level training and other courses/seminar etc has been considered in the employees cost for FY 2015-16. However, the aforesaid projection is not seen in the detailed break-up of the employees cost and provisions submitted in Form No. F-4 filed with the petition. The details of the projections if any, considered for training and other courses be submitted.

Response: *Regarding the details of projection of ₹ 15.00 Lac mentioned towards apprentice and other training expenses in form F-4, it is submitted that the projection has been made on the basis of residential course fee of ₹ 31164/- for specialist level training in “Power System Reliability” and Regulatory Framework in Power Sector” for 20 engineers for specialist level training and the same fee is also considered for 15 engineers for management level training for FY 2015-16. The projection also includes fees towards other courses/seminars/workshops regarding SCADA/EMS, URTDSM project, renewable integration, ABT, AMR, EMS, and other upcoming emerging fields. The projection also included examination fee approx ₹ 6000/- per candidate required for certification exams for these basic, specialist, and management level trainings. Thus a consolidated projection of ₹15.00 lacs is mentioned in form F4 under item “C”.*

- (viii) **Issue:** In Para 7.1 of the petition, it is mentioned that the terminal benefit on retirement (pension, gratuity and EL encashment on retirement) have not been considered in the petition and the same shall be adjusted in the true-up, if required to be paid. The terminal benefits on retirement are being claimed by MPPTCL and allowed in the ARR of MPPTCL. Therefore, SLDC is required to clarify its contention in this regard.

Response: *Regarding terminal benefit on retirement (pension, gratuity and EL encashment on retirement), it is submitted that such provision are not made in the petition for FY 15-16 as these expenses are claimed by MPPTCL. The contention of submission in the petition that the expenses shall be adjusted in true-up if required to be paid, is to indicate that if any actual expenses on retirement are booked under employee cost of SLDC & also shown in trial balance of SLDC, it shall be reflected in true-up of SLDC otherwise not.*

- (ix) **Issue:** It is observed from the detailed break-up of employee cost in Form F-4 that there is no change in the employee strength shown in FY 2013-14 to FY 2015-16. However, the amount towards salaries, additional pay, DA and other allowances and relief is showing a substantial increase each year. Therefore, the detailed

reasons for increase in employee cost on the aforesaid heads for total employees strength of 135 nos. be submitted.

Response: *The total employee cost projections of ₹ 967.88 Lacs for FY 15-16, submitted in the petition (Form-F4) is worked out considering working strength of 105 employees on October 2014. The main reason for increase in employee cost are due to increase in rate of DA & considering the annual increment. The detail calculation sheet of employee cost projection for the FY 2015-16 is submitted herewith as Annexure-6.*

- (x) **Issue:** The other allowances and travelling allowances shown in FY 2014-15 are less than the actual amount in FY 2013-14 as well as the projected amount for FY 2015-16. The reasons for the aforesaid variation in FY 2014-15 be explained.

Response: *The other allowance shown in Form F-4 for financial year 13-14 are the allowance paid towards HRA, CCA, CA, NDA, Risk/Heavy Duty, Dress/Washing, Uniform & Liveries and allowance paid to Company cadre employee towards employee variable allowance and company variable allowance of ₹5.35 lacs & ₹1.46 lacs respectively. However, as per order of CE(CA&IT), MPPTCL, the Human Capital Manual and wages & allowances manual notified by MPPTCL has been ceased to operate after 31st Aug-2013, therefore the allowances to company cadre employee (i.e (employee variable allowance and company variable allowance) are not projected for FY 14-15 & FY 15-16. Hence, other allowance projected for FY 14-15 & FY 15-16 is shown less than actual expenses of FY 2013-14. Regarding travelling expenses projection for FY 14-15, it is submitted that due to inadvertent error. An amount of ₹3600/- was not included in travelling allowance projection. It is requested that Hon'ble Commission may please consider the projection towards other allowance and travelling allowance as submitted in the petition for FY 2015-16.*

- (xi) **Issue:** The actual contribution towards DLI/NPS (pension schemes) in FY 13-14 has been ₹6.35 lacs whereas the projected and proposed contribution for FY 14-15 and FY 15-16 is shown as ₹11.00 lacs and ₹11.54 lacs respectively. SLDC is required to inform the following:

- Whether the above provisions towards contribution of SLDC towards DLI/NPS are included in the Financial Accounts of MPPTCL also?
- The reasons for high projections in this regard.

Response: Regarding projection towards NPS for FY 14-15 & FY 15-16, the pointwise information is as below:-

- The contribution towards NPS (pension scheme) are shown separately in the trial balance of SLDC under the head company contribution on NPS (new Employee). Further, the employee expenses shown in SLDC trial balance & are not considered in employee expenses of MPPTCL.
- In the FY 13-14 contribution towards NPS has been projected on the basis of Human Capital Manual and wages & allowances manual notified by MPPTCL. As per wages & allowances manual 10% of Basic pay only was considered for projection of contribution towards NPS. However, as per order of CE(CA&IT), MPPTCL, the Human Capital Manual and wages & allowances manual notified by MPPTCL has been ceased to operate after 31st August-2013. Accordingly the projection towards NPS for the FY14-15 & FY 15-16 has been considered on basis of 10% of (Basic Pay+Grade Pay+DA). The detail of contribution made towards NPS has been mentioned in Annexure-6.

- (xii) **Issue:** SLDC has claimed ₹3.12 lacs towards subsidized electricity to employees. The actual expenditure under this head in previous year alongwith the reasons for making this provision be submitted.

Response: The subsidy @ 250/- pm per employee has been taken on the basis of employee discount provided @50% in electricity charges to employees. The provision of ₹3.12 Lacs is made to meet out contingent liability of this facility, if required to be paid/ reimbursed in future. The assumed rate of subsidy has no other basis but to keep above lump sump provision. Hon'ble Commission may kindly allow provision of ₹ 3.12 Lacs towards subsidized electricity to employees.

- (xiii) **Issue:** In Form F-4, SLDC has claimed ₹8.17 lacs for FY 15-16 under the head of "Interim Relief/ Wage Revision Arrears" whereas, the expenditure for FY2013-14 and FY 2014-15 under this head is nil. Further, Note-10 of the financial statements for FY13-14 shows that the employee benefit expenses include wage revision arrears of ₹26.89 lacs for which provisions are already made in MPPTCL Accounts. Detailed reasons for considering this estimate in the subject petition be explained.

Response: The projection towards wage revision arrears of ₹8.17 lacs has been made in employee cost for FY 15-16 on the basis of actual amount of arrears being paid to individual employee. However, these expenses are not mentioned in trial balance of SLDC, hence the same are not being claimed by SLDC in True-up of actual SLDC expenses. The provision for these expenses has been made, if it is required to pay to MPPTCL.

- (xiv) **Issue:** The petitioner has considered the expenses for “Apprentice and other training” in employee expenses whereas the training expenses are the part of A&G expenses in its Financial Statements. This needs to be clarified.

Response: *The training expenses are shown in Employee expenses under head “Apprentice and other training” in compliance to the prescribed format of Form F4 of the regulation for levy & Collection of Fee & Charges.*

- (xv) **Issue:** In Form F-5 filed with the petition, SLDC has submitted the break-up of Administrative and General (A&G) Expenses. The break-up of MPERC Annual Fees and WRPC Annual Charges be submitted.

Response: *SLDC has submitted provision of ₹13.00 Lac towards MPERC Annual Fees and WRPC Annual charges. The projection of ₹1.00 Lac towards MPERC Annual Fees and ₹12.00 Lac towards WRPC Annual charges has been made which also include incidental charges to be paid to WRPC. Projection has been made considering increase of 10% on last year charges of ₹8.93 Lacs i.e approx ₹10.00 lacs and provision of ₹2.00 lacs has been made towards incidental charges.*

- (xvi) **Issue:** The documents in support of the expenditure claimed towards hiring of vehicles and Security/ Service Charges paid to outside agencies be submitted.

Response: *The order copy of deploying armed security services at SLDC Jabalpur and order copy of hiring of vehicle are enclosed herewith as Annexure-7 & Annexure-8.*

- (xvii) **Issue:** The actual expenditure of ₹2.40 lacs is shown under the head of “Hiring of Vehicles” whereas, the projected and proposed expenses on this head are ₹9.00 lacs and ₹10.80 lacs for FY14-15 and FY15-16 respectively. The reason for high projections under this head be submitted.

Response: *The projection of ₹9.00 lacs and ₹10.80 Lacs has been made on the basis of current vehicle charges of one vehicle provided for CE (SLDC) and provision for 2 more vehicle for SLDC/Sub-LDC has been made. In FY 14-15 projection has been made amounting to ₹25000/- per month per vehicle for 3 No. of vehicle and for FY 15-16 provision has been made amounting to ₹30000/- per month per vehicle for 3 No. of Vehicle.*

- (xviii) **Issue:** As per Financial Statements, telephone/fax etc. expenses for FY 15-16 are about six times the actual expenses in FY13-14. The reason for claiming high expenses on this head be submitted.

Response: The provision has been made towards Telephone/Fax Charges for FY 2015-16 on the basis of existing communication facility, proposed additional communication facility & postage/Telegram/Fax charges. One optic based high speed internet connection also planned during FY 15-16 at SLDC.

- (xix) **Issue:** The consultancy charges of ₹10 lacs are claimed for FY15-16 whereas, the actual consultancy charges were shown as ₹0.04 lacs in FY13-14. The reason for claiming higher consultancy charges in FY 15-16 be explained.

Response: The projection of ₹ 10.00 lacs has been made towards consultancy charges for FY 2015-16. The provision is made to meet out the expenses, if required towards obtaining consultancy services for Renewal of ISO 9001:2008 certification of SLDC, for Energy Audit & preparation of scheme for future project like WAMS/SCADA system/master communication system and for renovation & modernization of SLDC building etc.

- (xx) **Issue:** The petitioner has filed ₹90 lacs against “Electricity Charges to Offices” whereas, the expenses under this head for FY13-14 and FY14-15 are shown as nil in Form F-5. The Financial Statements for FY13-14 do not indicate any expenditure under this head. The basis for claiming these expenses be submitted.

Response: The provision for electricity charges has been made on the basis of actual electricity charges of SLDC Jabalpur for current year, expected consumption of backup SLDC being established at Bhopal, as well as provision for increase in energy charges due to probable change in tariff of SLDC connections to commercial tariff. At present the electricity bills of SLDC Jabalpur are adjusted in books of accounts of Discom through MPPTCL, the actual expenses on electricity charges are not shown in trial balance of SLDC. The provision of electricity charges are made to meet the expenses if required to be paid by SLDC.

- (xxi) **Issue:** The actual expenditure in FY13-14 under the heads of “Miscellaneous Expenses” and “Purchase related advertisement” were ₹0.69 lacs and ₹0.37 lacs respectively whereas, the expenses on these heads are projected very high in FY14-15 and FY15-16. The reasons for high projections of these expenses be submitted.

Response: The provision of ₹6.00 Lacs under Miscellaneous expenses has been made to meet out any contingent, petty expenses related to Administrative & General category of expenses. Similarly, a provision of ₹5.00 lacs has been made to meet out advertising expenses on publication NIT etc. under the category “purchase related advertisement”. The projection has been made on the lump sum basis.

- (xxii) **Issue:** During FY 13-14 Repair and Maintenance expenditure on building and civil works has been ₹15.0 lacs. However, the petitioner has estimated/ projected ₹44.50 lacs and ₹39.90 lacs on these expenses for FY 2014-15 and FY 2015-16, respectively. The reasons for high projection be submitted.

Response: The projections of ₹39.90 Lacs has been made towards building and civil works under the Repair and maintenance expenses for the FY 2015-16. The projection has been made towards housekeeping charges of SLDC building and various civil work proposed by civil department for every year. In addition to this for FY 15-16, housekeeping charges is also proposed for backup SLDC building at Bhopal and New Sub-LDc building at Indore. The details of misc civil maintenance works proposed during FY 15-16 are as given below:-

Proposed Civil Maintenance Work 2015-16		₹ in Lacs
Sr.No.	Description of work	Amount
1	General upkeep of SLDC Building, backup SLDC building and Sub-LDC building.	10.00
2	Construction of retaining wall around SLDC building.	5.00
3	Change of old M S window with Aluminium windows alongwith masonry work, plastering etc.	6.00
4	Replacement of doors & doors frames	1.40
5	Providing and fixing marble/tiles on step of stairs i/c other related works SLDC	3.00
6	Metalling around 3no. L T X-mers, and constrution of earth pits, i/c yard fencing, cable trenches etc.	6.00
7	Miscellinious repairing and day to day maintenance works	3.00
8	Improvement/ strengthening of sanitation system/ water supply system	3.00
9	development of garden/i/c beautification, and land scaping	2.50
TOTAL		39.90

The actual expenditure of ₹15.00 Lac shown under civil maintenance head, during the FY 2013-14, comprises of routine maintenance works such as General upkeep of SLDC Building, maintenance of garden, Repairing of wall & fencing of garden, repairing of Aluminum doors at SLDC building etc and the vitrified tiles flooring. The projections ₹39.90 Lacs for FY 2015-16 for Civil and building

maintenance work are on the basis of proposed O&M work during the year. In view of above, Hon'ble commission is requested to approve total R&M projections of ₹204.80 Lacs for FY 15-16.

- (xxiii) Issue:** The “Adjustment and Deduction” of a much higher amount of ₹122.26 lacs in GFA is shown for the first time in Form No. F7 filed with the petition. The details and the reasons for the aforesaid amount be submitted.

Response: *The amount of ₹122.26 Lacs has been deducted from Gross Block of Fixed Asset due to retirement of two assets. The details of Assets withdraw during the FY 2013-14 from Gross Block of Fixed Assets are given below:*

(₹ in Lacs)

Sr. No.	Name of Assets	Estimate No.& Dt	Estimate Amount (₹)	Actual Amount (₹)	Amount of Withdraw (₹)
1.	SCADA equipment provided under “Interim Augmentation of SCADA facilities in WR”	24-096-9787-97-0003 DT.27.03.98	137.67	113.08	113.08
2.	AIR CONDITIONING PLANT	01-25-283-75-0168 DT 16.08.75	10.20	10.19	9.18
Total			147.87	123.27	122.26

- (xxiv) Issue:** The actual expenses on interest and finance charges for FY13-14 is observed as nil. SLDC has not taken any working capital loan and has consequently not incurred any expenses for interest on working capital. The cumulative available balance of Capex fund is shown as ₹587.44 lacs as on 31/03/2014. SLDC is required to submit its projected revenue gap if any, and also to inform that any working capital is projected to be raised during FY 14-15.

Response: *MPERC (Levy & Collection of SLDC fee & charges) Regulation-2004, 9.9 (ii) provides that IWC shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or exceeded the working capital loan based on normative figures. The IWC amount of ₹15.91 Lacs has been projected in ARR in accordance with above regulation.*

As regard to revenue gap, five year's year wise projections for availability of fund from 50% of Operation & Scheduling charges, requirement of fund for the proposed Capital works and cumulative surplus by end of year is mentioned in

page no. 8 of the petition. Apparently, there is no shortage of fund. Accordingly, no working capital is proposed to be raised during FY 2014-15.

14. Vide letter dated **06th February' 2015**, SLDC submitted the draft public notice on the gist of petition in English and Hindi version to invite the comments /suggestions from various stakeholders.
15. Vide Commissions letter No. 279 dated **12th February' 2015**, SLDC was directed to publish the public notice as approved by the Commission in English and Hind newspapers by **09th February' 2015**. The public hearing in the subject matter was fixed on **12th March' 2015**.
16. Vide letter No. 07-05/E&T/645-XII/494 dated **18th February' 2015**, it was confirmed by SLDC that it has published the public notice in the following English and Hindi newspapers on 14th February'2015:

- (i) Indore – Nav Bharat (Hindi)
- (ii) Bhopal – Central Chronicle (English)
- (iii) Jabalpur – Raj Express (Hindi)

The last date for offering comments/suggestions/objections on the petition was **09th March' 2015**. Only one stakeholder filed its comments in the matter.

17. Vide letter No.747 dated **07th March' 2015**, SLDC submitted its point wise reply to the comments offered by stakeholder. The response of SLDC on each comments is annexed as **Annexure – 1** with this order.
18. Vide letter dated **11th March'2015**, SLDC informed that it has received no comment in the subject matter other than that mentioned in **para 16** of the order.
19. Public hearing in the matter was held on **12th March' 2015** in the court room of the Commission. Only the representatives of SLDC appeared in the public hearing.

Fee and Charges for FY 2015-16

Capital Cost

20. Petitioner's Submission:

The petitioner broadly submitted the following:

“The 5 years rolling capital expenditure plan of SLDC for the period from FY 2012-13 to FY 2016-17 has already been approved by the Commission vide order dated 10th April 2013.

The capital works in progress and proposed to be implemented during FY 14-15 to FY 18-19 have been summarized in Annexure-CP1.

The year wise summary of fund requirement for capital expenditure as well as availability of capex fund is given below:-

Year wise proposed requirement as well as availability of fund in ₹Lacs							
Sr.No	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
1	Availability of fund for Capex (Projected)	145.00	148.00	162.80	179.08	196.99	831.87
2	Previous year Balance	400.51	439.44	189.94	176.74	355.82	400.51
3	Total Capex Available (1+2)	545.51	587.44	352.74	355.82	552.81	1232.38
4	Capex Requirement	106.07	397.50	176.00	0.00	0.00	679.57
5	Cumulative Surplus (3-4)	439.44	189.94	176.74	355.82	552.81	552.81

As the Capital works related to development of infrastructure, augmentation/ replacement of existing ABT system and major civil work at SLDC & Sub-LDCs are to be taken up in the near future and it is continuous process for development of infrastructure. Accordingly, the capex plan was reviewed and following is submitted :-

- (1) *It is to mention that in the capax plan of SLDC the work regarding “Upgradation of ABT and EA system along with web server “ was proposed in FY 13-14 and FY 14-15. However, the proposed ABT & EA system is required to be integrated with AMR system and SCADA/EMS system which is under commissioning stage. Accordingly, the work of “Upgradation of ABT & EA system” got deferred.*

Further, it is now also planned to include module for MIS, renewal energy & integration into. The budgetary offer for ABT, EA and MIS system with revised scope of work was obtained from various vendors and now revised estimate cost of the system work out to ₹. 4.00 crores. Further the work is expected to be carried out in FY 2015-16 and 2016-17. Accordingly, provision of ₹250.00 Lac in FY 15-16 and ₹ 150.00 Lac in FY 16-17 is proposed in capex plan for this work.

- (2) The capex plan was submitted to honorable Commission along with the petition of FY13-14 i.e. submitted by around two years back. The requirement mentioned in capex plan for civil works was obtained from civil department and was provisional. Now civil department has submitted the detailed estimate considering revised scope of work and it is informed by civil department that now the requirement for various works is to be revised as per following:-
- (a) The provision for renovation of toilets at SLDC was made in capex plan for FY 13-14 considering three number of toilets to be renovated. However, over the period, now renovation is required for all five numbers of toilets and civil department has now submitted estimated cost for renovation of toilets as ₹. 15.00 Lacs. Further, the work is now proposed to be initiated in FY 14-15 and shall be completed in FY15-16. Accordingly, provision of ₹ 1.00 Lac in FY 14-15 and ₹ 14.00 Lac in FY 15-16 is proposed in capex plan for this work.
- (b) The provision of ₹30.00 Lac for “construction of shed over roof of SLDC building “ is made in capex plan for FY 14-15. However, now civil department has prepared detailed cost estimate for this work and informed that the cost estimate is now prepared on the basis of PWD SOR and hence estimated cost of the work got increased to ₹36.00 Lacs. Further, the work is now proposed to be initiated in FY 14-15 and shall be completed in first quarter of FY15-16. Accordingly, provision of ₹6.00 Lac in FY 14-15 and ₹30.00 Lac in FY 15-16 is proposed in capex plan for this work.
- (c) In the capex plan, the provision of ₹40.00 lac for “ Construction of mazzanine floor above the old reflecting pond and its furnishing, installation and commissioning of lift & other related works in existing building of SLDC Nayagaon, Jabalpur “ was made in the FY 14-15. The detailed plan for the work was prepared by civil department on availing service of an architect and it is now informed that the total financial requirement for this work shall be ₹66.5 lac. Out of ₹66.5 lac, ₹10.0 lac shall be required in FY 14-15 and remaining ₹56.5 lac shall be required in FY 15-16. Accordingly provision of ₹10.00 lac in FY 14-15

and ₹56.5 lac in FY 15-16 for “ Construction of mazzanine floor above the old reflecting pond and its furnishing, installation and commissioning of lift & other related works in existing of SLDC building Nayagaon, Jabalpur “ is proposed in capex plan for SLDC.

- (3) The provision of ₹6.00 Lac in FY 14-15 and ₹24.00 lac in FY 16-17 was available in capex plan of SLDC for “replacement of battery bank of UPS and DCPS systems provided at Sub-LDC Indore”. However, as battery bank for UPS and DCPS is being arranged through project “replacement/upgradation of SCADA/EMS system of WR “ ‘ Master Telecommunication project of WR”, the battery sets procurement shall not be required under capex plan. It is therefore proposed to delete the provision of ₹6.00 Lac in FY 14-15 and ₹24.00 lac in FY 16-17 made in capex plan submitted earlier.

The capex plan to accommodate above mentioned requirement and revised work schedule is detailed in annexure CP-1 enclosed herewith.

21. In its additional submission dated 30th January’ 2015, the petitioner submitted the year-wise details of fund marked for Capex out of the Operation & Scheduling charges and the details of actual Capital expenditure for FY 2006-07 to 2013-14 as given below:-

Yearwise Details of Fund marked for capex fund out of Operation & Scheduling charges

Amount in ₹ Lacs

Financial Year	Operation & Scheduling Charges.	50% of O&S treated as Income	Total Income (3+4+5)
1	2	3	4
2006-07	39.18	19.59	19.59
2007-08	67.64	33.82	33.82
2008-09	125.37	62.69	62.69
2009-10	151.57	75.79	75.79
2010-11	202.92	101.46	101.46
2011-12	185.43	92.72	92.72
2012-13	265.63	132.82	132.82
2013-14	265.74	132.87	132.87
Total	1303.48	651.74	651.74

The Details of Actual Capital Expenditure for the FY 2006-07 to 2013-14.

<i>(Amount in ₹ Lacs)</i>				
Financial Year	Category of Expenditure (A/C Code)			Year wise Total
	Fixed Assets (10)	Capital works in progress (14)	Capital Advance	
2006-07	25.66			25.66
2007-08	14.73			14.73
2008-09	5.96	0.9		6.86
2009-10	0			0
2010-11	28.82			28.82
2011-12	9.43	61.89		71.32
2012-13	1.83	42.92	7.8	52.55
2013-14	92.55	-41.27	0	51.28
<i>Closing balance as 31.3.14</i>	178.98	64.44	7.8	251.23

22. Provisions in Regulations:

Regulation 9.3 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulation, 2004, (Revision – 1, 2006) provides as follows:

“Scrutiny of the cost estimates by the Commission shall be with regard to the reasonableness of the capital cost, financing plan, interest during construction, use of efficient technology, and such other matters which have an impact on the charges and the Commission may obtain expert advice as deemed necessary.

Any expenditure on replacement of old assets shall be considered after writing off the gross value of the original assets from the original cost. Before allowing the loss due to sale of the retired assets a detailed examination regarding the justification for each and every asset item retired prior to the completion of useful life shall be carried out.”

23. Commission’s Analysis:

The petitioner has claimed the projected capital expenditure of ₹ 397.50 Lacs for FY 2015-16. Detailed break-up of capital works projected during FY 2015-16 as submitted by the petitioner are as given below:-

(Amount in ₹ Lacs)

Sr. No.	Particular	Expenditure during the year
Financial Year 2015-16		
1	Office Equipments at SLDC & Sub SLDC	5.00
2	Construction of Additional Floor in Sub-LDC Office building at 400KV S/S indore with facility for airconditioning, fire alarm etc.	7.00
3	Construction of shed over roof of SLDC building	30.00
4	Renovation of remaining toilets in SLDC Building.	14.00
5	Construction of mazzenine floor above the old reflecting pond and its furnishing i/c lift & other related works in existing SLDC Nayagaon, Jabalpur	56.50
6	Cutting of Rocks & levelling near the boundary wall to develop the premises. & construction of pathway around SLDC Building	7.00
7	Providing peripheral lighting arrangement around SLDC building	5.00
8	Upgradation of ABT & EA system alongwith Web Server	250.00
9	Fire hydrant arrangement, drilling of tube well, installation of pump etc.	15.00
10	Construction of Aditonal parking space	8.00
Total		397.50

24. Vide tariff order dated 10th April' 2013 for FY 2013-14, the Commission approved five year Capex plan of SLDC from FY 2012-13 to FY 2016-17. The year-wise requirement & availability of fund for capex works for the next five years in the aforesaid order is as given below :

Year wise proposed requirement as well as availability of fund in (₹ Lacs)							
Sr. No	Year	2012- 13	2013-14	2014-15	2015-16	2016-17	Total
1	Availability of fund for Capex	100.00	115.00	132.25	152.09	174.90	674.24
2	Previous year Balance	240.41	248.19	70.59	-6.16	140.93	
3	Total Capex Available (1+2)	340.41	363.19	202.84	145.93	315.83	
4	Capex Requirement	92.22	292.60	209.00	5.00	30.00	628.82
5	Cumulative Surplus (3-4)	248.19	70.59	-6.16	140.93	285.83	

- The balance Capex fund at the end of each year is carried forward to meet out the Capex requirement for the subsequent years.
- In its tariff order for FY2013-14, the Commission accorded in-principle approval of the above mentioned Capex plan subject to the certain conditions stipulated in the order.

- In Format F15 of the petition, the petitioner filed the actual capital expenditure for FY2013-14 and FY2014-15. Detailed break-up of the actual capital expenditure filed in the petition is as given below:

Amount (₹. Lacs)

SN	Particular	Expenditure during the year
	Financial Year 2013-14	
A-1	Capital works completed during current financial year	
1	Air Conditioning plant	-1.08
2	Staff recreation and rejuvenation facilities	2.09
3	Providing conference System at SLDC	8.74
4	Office Equipments At SLDC & Sub SLDC	4.37
5	Supply for Supply of plain paper (Laser Based) Fax Machine	0.72
6	Purchase of 05 No. GSM Fixed cellular terminal alongwith telephone set for SLDC & Sub LDC.	0.27
7	Development & Design of SLDC Website	1.60
	Sub-Total (A)-1	16.71
A-2	Capital works in progress/proposed in current Financial Year	
8	CWIP Replacement of False ceiling and electrification system at SLDC	25.85
9	Partitioning and furnishing of Mazenine Slab	0.00
	Sub-Total (A)-2	25.85
B	Financial Year 2014-15	
1	CWIP Replacement of False ceiling and electrification system at SLDC	5.66
2	Partitioning and furnishing of Mazenine Slab	1.28
3	Office Equipments at SLDC & Sub SLDC	5.13
4	Construction Additional Floor in Sub-LDC Office building at 400KV S/S indore with facility for airconditioning, fire alarm etc.	65.00
5	Providing Electronic Security system, Access Control & Metal Detectors in SLDC.	8.00
6	Providing Split AC at SLDC	4.00
7	Construction of shed over roof of SLDC building	6.00
8	Renovation of remaining toilets in SLDC Building.	1.00
9	Construction of mazenine floor above the old reflecting pond and its furnishing i/c lift & other related works in existing of SLDC Nayagaon, Jabalpur	10.00
	Sub-Total (A)	106.07

- On perusal of the year wise capex approved by the Commission vis-a-vis the actual capex filed by SLDC, it is observed that SLDC has completed the works of ₹42.56 lacs only against the works of ₹292.60 lacs approved by the Commission for FY 2013-14 in the Capex Plan.
 - Vide Commission's letter dated 07th January' 2015, the petitioner was asked to file the reasons for shortfall in achievement of Capital works against its self derived plan and how the proposed Capex shall be mapped on the Capex plan approved by the Commission for the subsequent years.
25. By affidavit dated 30th January'2015, SLDC filed the details of capital works completed during FY 2013-14. SLDC submitted that most of the works were initiated in FY 2013-14 but they are completed in FY 2014-15. The petitioner also filed the details of approved capital work, reason for delay and actual expenses during FY 2013-14. These details are mentioned in **Para 13** of this order.
26. The Commission observed that the availability of fund with the petitioner for capex is adequate for the actual/projected capex works. The petitioner is directed to expedite the capex works and utilization of its capex fund available with it

Levy of SLDC Charges:

27. As per clause 9.2 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulation, 2004, (Revision – 1, 2006) SLDC charges are to be determined based on the following operating expenses:
- O&M Expenses comprising Employee Cost, Administration and General Charges and Repairs and Maintenance expenses,
 - Depreciation on Assets,
 - Interest and finance charges, where loans are identified against capital expenditure
 - Interest on working capital, if any,
 - Return on equity for equity contributions identified for capital expenditure
 - Taxes and duties, and
 - Capital Cost

Operation and Maintenance Expenses:-

Provision under Regulations:

28. Clause 9.8 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulations, 2004,(Revision-I, 2006) provides as under:

- (i) 'Operation and Maintenance or O&M expenses' shall mean expenditure on manpower, repairs, spares, consumables, office administration and general.
- (ii) Operation and maintenance expenses shall be determined as per actual expenditure incurred by SLDC.

Employee Cost:-

Petitioner's submission:

29. With regard to the Employee Cost, the petitioner broadly submitted the following in para 7.1 of the petition:

The employee cost for FY 15-16 has been worked out for the working strength at SLDC & Sub-LDCs as on 31-10-2014, one post of AE which is likely to be joined at Sub-LDC Bhopal. As per recommendations of "Manpower, Certification and Incentive for system operation and ring fencing Load Despatch Centres", basic level training and specialist level Certification course for Load Despatch system operation is under progress. Presently 60 certified system Operators are working in SLDC. As per the committee for training and certification under the chairmanship of Shri S.N. Diman, Member, CEA has suggested three levels of certification viz. basic level, specialist level, & management level. Now training for specialist level is under progress and shall be completed for approx 15 engineers by December 2014. Accordingly, projection for remaining engineers for specialist level and projection for management level training and other courses and seminar etc has been considered in the projections of employee cost for FY 15-16. As per recommendation of Pradhan Committee constituted for "Man Power Certification and Incentives for System Operation and Ring Fencing Load Despatch centre", the engineers who have completed training are to be considered for certification linked incentive. However, provision for certification based incentive is not made in employee cost for FY 2015-16 and it is proposed that the same shall be adjusted in true up, if required to be paid.

The total employee cost works out to ₹967.88 Lacs (Form-F4). For vacant posts, terminal benefit on retirement (pension, gratuity and EL encashment on retirement) have not been considered and it is proposed that the same shall be adjusted in true up, if required to be paid.

Commission's Analysis:

30. The petitioner filed the projected employee expenses of ₹967.88 Lacs for FY2015-16. The component wise break-up of employee cost is given by the petitioner in Format F4 of the petition.

31. Vide Commission's letter dated 07th January' 2015, the petitioner was asked to file the justification on employee related expenses like wage revision arrears, subsidised electricity to employees, training expenses etc.
32. By affidavit dated 30th January' 2015, the petitioner filed its detailed reply on each issue raised by the Commission, which has been elaborated in **para 13** of this order. On perusal of the response filed by the petitioner, the Commission has noted the following:
- The expenses towards wage revision arrears are paid by MPPTCL and these are not recorded in the trial balance of SLDC. Therefore, the petitioner did not claim these expenses while truing up of employee cost for FY 2013-14. These expenses are claimed in the subject petition for FY 2015-16 only to have a contingent provision. M.P. Power Transmission Company Limited Jabalpur has been paying the expenses towards wage revision arrears of SLDC also and these expenses have been recorded in the books of accounts of MPPTCL upto FY2013-14. In view of the aforesaid reasons, the amount of ₹8.17 lacs towards wage revision arrears of SLDC, which is not recorded in its trial balance, is not considered in this order. However, the actual wage revision arrears if any, paid by the petitioner for FY 2015-16 shall be considered while truing up of its ARR for FY 2015-16 after prudent check.
 - The provision of expenses of ₹3.12 lacs has been made to meet out the contingent liability towards discount of free electricity to employees, if required to be paid/reimbursed in future. The Commission has not allowed these expenses in all previous SLDC's tariff orders. It has been observed by the Commission in its previous orders that the electricity bills to the residential premises of SLDC's employees are billed by Discoms directly to the employees and the employee rebate is given in the bills itself. Therefore, the amount of ₹3.12 lacs is not considered in this order also.
33. In view of the above, the details of employee related expenses considered in this order for FY2015-16 are as given below:

S. No.	Particulars	Amount (₹lacs)
1	Employee expenses filed by the petitioner	967.88
2	(Less) Provision towards wage revision arrear	(-) 8.17
3	(Less) Provision towards subsidized electricity to employees	(-) 3.12
	Employee expenses considered by the Commission	956.59

Administration and General Expenses:**Petitioner's Submission:**

34. With regard to Administration and General expenses (A&G), the petitioner has submitted the following:

The Administration and General expenses for SLDC and Sub LDCs for the year 2015-16 works out to ₹ 175.01 Lacs (Form-F5). At present electricity bills of SLDC office is being adjusted in the books of account of Discom through MPPTCL. Therefore actual expenses of Electricity charges are not shown in SLDC Trial Balance for FY 2011-12, FY 2012-13 & FY 2013-14. Hon'ble Commission has also disallowed the electricity charges in the ARR of FY 2014-15. In case Hon'ble Commission allows the electricity charges in ARR, the same shall be paid by SLDC to Discom from April 2015. Therefore provision for electricity charges has been made on the basis of actual electricity charges of SLDC Jabalpur for current year and also expected consumption of backup SLDC being established at Bhopal.

It is requested that electricity charges of SLDC Jabalpur and backup SLDC Bhopal may also be considered in the A&G expenses of SLDC for FY 2015-16.

Commission's Analysis:

35. The petitioner has filed ₹175.01 lacs under Administration and General expenses. The detailed break-up of these expenses are given in Format F-5 of the petition. Vide Commission's letter dated 07th January' 2015, the petitioner was asked to file its justification for amount of ₹90 lacs against "Electricity charges to offices" whereas, the expenses under this head for FY 2013-14 and FY 2014-15 were nil (as indicated in the petition). The financial statements for FY 2013-14 also do not indicate any expenditure on this head.
36. By affidavit dated **30th January' 2015**, the petitioner submitted that the claims for electricity charges have been made on the basis of actual electricity charges of SLDC Jabalpur in previous year and the estimated consumption of its office being established at Bhopal. The petitioner further submitted that at present the electricity bills of SLDC office are adjusted in books of account of Discom through MPPTCL. Also, the actual expenses of electricity charges are not recorded in trial balance of SLDC. During the scrutiny of earlier petition for FY 2014-15, it has been submitted by SLDC that the actual electricity expenses are adjusted in books & do not appear in its trial balance.

37. In view of the above, it is observed that the electricity charges to the offices of SLDC are not actually paid by the petitioner. Taking a consistent view on this issue, the expenses on this head are not considered in this order also.

The details of Administration and General expenses allowed for FY 2014-15 in this order are given as below:

S. No.	Particular	Amount (₹lacs)
1.	Administration and general expenses filed by the petitioner	175.01
2.	(Less) Provision towards electricity charges of offices	(-) 90.00
	Administration and general expenses considered in this order	85.01

Repair and Maintenance Charges:-

Petitioner's Submission:

38. In para 7.3 of the petition, the petitioner broadly submitted the following:

The Repair and maintenance expenses for the year 2015-16 are estimated to ₹ 204.80 Lacs (Form-F6). This includes Long Term Service Agreements (LTSA) of SCADA/EMS & Wideband Communication system, AMC charges for ABT Computer System, Maintenance costs of Auxiliary Power Supply system, maintenance of system support services, AMC of AC Plant and Maintenance of building. The provision for civil maintenance works mainly comprise of replacement of old MS window with Aluminium Windows , replacement of doors & doors frames, providing and fixing marble/tiles on step of stairs & other related works, metalling around 3 No. LT Transformers and construction of yard fencing, cable trenches etc, construction of retaining wall around SLDC building, improvement/strengthening of sanitation/water supply system, development of garden/landscaping etc. is also made during FY15-16. The house keeping of proposed backup SLDC building and new Sub-LDC building which is under construction at present is also considered in R&M expenses for FY15-16 onward. Further, the replacement of SCADA/EMS system as well as wideband communication equipments is under progress and expected to be completed by June-July 2015. Accordingly AMC cost for SCADA/EMS system and wideband communication equipments is considered only for seven month. The five year R&M plan of SLDC and Sub LDCs for FY 14-15 to FY 18-19 is also annexed herewith as Annexure RM1.

Commission's Analysis:

39. The petitioner filed the Repair and Maintenance expenses of ₹204.80 lacs. Detailed breakup of repair and maintenance expenses for FY2015-16 is given in Format F-6 of the petition.
40. Issues raised by the Commission & response filed by SLDC on this head are mentioned in **para 13** of this order.
41. The Commission observed that the estimated increase in R&M expenses is mainly on account of Plant & Machineries and Civil Works, which are required for ring fencing. No R&M expense has been capitalised. In view of the above, the R&M expenditure of **₹ 204.80 Lacs** for FY 2015-16 is allowed in this order subject to true-up.

Return on Equity and Depreciation:

Petitioner's Submission:

42. The petitioner broadly submitted the following:

“The GoMP has identified the assets of SLDC as a part of MPPTCL. The depreciation has been worked out to ₹66.17 Lacs (Form F7) using Straight Line Method as per rates and in the manner prescribed in the Electricity Act 2003. The ROE has been worked out to ₹33.46 Lacs based on normative debt to equity ratio as 70:30. The Income Tax comes to ₹10.86 Lacs. However, in line with the orders passed by Hon'ble Commission for levy & collection of fee & charges for FY 08-09, these charges are not included in the Annual Revenue Requirement of SLDC for the FY 15-16.”

Provisions in Regulation:

43. Regulation 9.4(i) and 9.6 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulation, 2004,(Revision-I, 2006) provides that,

“Return on equity shall be computed on the equity contributions specifically made for SLDC and shall be 14% (post tax) unless the Commission allows a lower level for reasons to be recorded.”

“For the purpose of determination of charges, depreciation shall be computed in the following manner:

The value base for the purpose of depreciation shall be the historical cost of the assets, i.e. actual expenses limited to approved /accepted capital cost:

Provided that the Consumer contribution or capital subsidy / grant etc for asset creation shall be treated as per the accounting rules notified and in force from time to time.

The approved/accepted cost shall include foreign currency funding converted to equivalent rupee at the exchange rate prevalent on the date of foreign currency actually availed.

Depreciation rates for determination of allowable depreciation shall be as per CERC notification. The existing rates are given in Annexure 3 of these regulations.

Provided that the total depreciation during the life of the asset shall not exceed 90% of the original”

Commission’s Analysis:

44. The Commission observes that no Depreciation & RoE is claimed by the petitioner as no separate opening Balance Sheet for SLDC has been notified by the Govt. of M.P. in its order dated 12th June’ 2008. The Commission accepts the petitioner’s submission and no amount for depreciation and RoE is approved in this Order.

Interest on Working Capital:

Petitioner's Submission:

45. The petitioner broadly submitted the following:
*“The working capital has been computed considering the expenses for Employee cost, A&G, R&M and IWC. The monthly working capital comes out to ₹113.63 Lacs.
As per third amendment in regulation of SLDC fee and charges notified on 19th Nov 2010, the Rate of interest on working capital has to be considered on normative basis equal to the Base Rate of State Bank of India as on 1st April of the year plus 4%. Accordingly the rate of IWC has been taken as 13.70 % (Base Rate 9.70% wef 1st April 2013). The IWC works out to ₹15.91 Lacs (FORM F8).”*

Provisions in Regulation:

46. Regulation 9.9 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulation, 2004,(Revision-I, 2006) provides that,

“The SLDC may generate the working capital on monthly basis equal to the amount 1/12th of the SLDC charges.

Rate of interest on working capital to be computed as provided subsequently in these regulations shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on April 1 of the current year plus 1%. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.”

Commission’s Analysis:

47. The Petitioner filed the Interest on working capital of ₹15.91 Lacs in the subject petition. The petitioner has not filed any Interest and finance charges on loan for capital works. On scrutiny of the petition, the Commission has observed that the petitioner has not taken any working capital loan from any agency and consequently has not incurred any expenditure on working capital.
48. During FY 2015-16, the Operation and Scheduling (O&S) charges are expected to be ₹296.00 Lacs. In the present petition, SLDC considered 50% of O&S charges i.e. ₹148.00 Lacs while calculating revenue from other charges for the purpose of ARR. The same practice has been followed in previous years also. SLDC’s actual expenditure on Capex has been much lower than the Capex fund available with it and this is the reason for availability of cumulative balance of Capex fund of ₹400.51 Lacs as on 31/03/2014 with SLDC.
49. By affidavit dated 30th January’ 2015, the petitioner submitted the following;-
“MPERC (Levy & Collection of SLDC fee & charges) Regulation-2004, 9.9 (ii) provides that IWC shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or exceeded the working capital loan based on normative figures. The IWC amount of ₹15.91 Lacs has been projected in ARR in accordance with above regulation. As regard to revenue gap, five year’s year wise projections for availability of fund from 50% of Operation & Scheduling charges, requirement of fund for the proposed capital works and cumulative surplus by end of year is mentioned in page no. of 8 of the petition. Apparently, there is no shortage of fund. Accordingly, no working capital is proposed to be raised during FY 2015-16”(emphasis supplied)

50. The Commission has observed that free reserves (in the form of unspent cumulative funds available for Capex) are adequate to meet the working capital requirement of SLDC. The Commission had not approved any interest on working capital in past tariff orders also on the above-mentioned reasons. Therefore, the Commission does not approve any interest on working capital for FY 2015-16 in this order. The Commission has considered the actual expenses incurred by SLDC in its True-up petition for FY 2013-14 filed with this petition. If any expenditure for interest on working capital is found actually incurred by SLDC, such claim may be considered subsequently by the Commission after prudent check in the true-up petition for FY2015-16.

Others - Payment of Statutory Taxes, Cess, etc.:

Petitioner's submission

51. The petitioner broadly submitted the following:

“The Fee and Charges to be levied and collected by SLDC from the licensees using the intra-state transmission system has been worked out exclusive of statutory taxes, levy, duty, CESS or any other kind of impost by the Government or any statutory authority. Such expenses, if any, shall be borne by the licensees using the intra-state transmission system and shall be adjusted in the subsequent years”.

Commission's Analysis

52. The Commission accepts SLDC's submission and such taxes, cess, etc will be dealt with appropriately as and when these shall be actually incurred and claimed in the true-up petition.

Income from Other Sources:

Petitioner's Submission:

53. The petitioner has submitted the following in para 7.9 & 7.10 of the petition:

“Earning of ₹221.00 Lacs has been projected as income from Scheduling & Operation Charges (50%), Connectivity Charges and Application processing fee from Short Term Open Access Customers (STOAC). (Form F1). The amount has been assessed on the basis of actual amount received during first half of current financial year.”

A lump sum provision for FY 15-16 for ₹ 3.00 lac has been considered in Form F2 towards Interest on flexi-fix current Account with Bank and other Misc Income.

Provisions in Regulation:

54. Clause 9.14 and 10 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004,(Revision-I, 2006) provides that,

“Income from all charges determined by the Commission for SLDC operations shall be considered as income. This income shall include all fee and charges as may be specified by the Commission under these regulations.”

The customers having the Long-Term agreements shall not be required to pay the System Operation and Scheduling Charges but they shall have to pay the charges for revising the schedule each time as determined by the Commission.

The system operation and scheduling charge as determined by the Commission on per transaction per day or part thereof basis shall be charged from all short-term open access customers using the State Transmission System and Distribution System, which shall be paid in advance every month. They shall also be required to pay the charges for revising the schedule each time as determined by the Commission.

Fifty percent (50%) of the revenue earned from Operation and Scheduling charges as per Regulation 10 from short-term customers above shall be retained by State Load Despatch Centre for Capital expenditure for the development of infrastructure at SLDC. The remaining 50% revenue shall be treated as income for computation of SLDC Fee and Charges for the following year. The SLDC shall maintain separate account for such earnings and shall have to disclose the details of investment made to the Commission at the time of determination of its annual revenue requirement.”

Commission’s Analysis:

55. The other Income mainly comprises revenue from other Fee and Charges, Scheduling & Operation charges, Connectivity charges and application processing fee etc. The petitioner filed estimated other income for FY 2015-16 as given below:-

S. No.	Particulars	Ensuing Year (15-16) (₹ lacs)
1	Scheduling & Operation Charges (50% as income)	148.00
2	Connectivity Charges	20.00
3	Application processing fee for STOAC	50.00
	Total	218.00

56. The Commission has observed the following actual other income from the Audited Accounts of SLDC for the last five years:

(Amount in Lacs ₹)

S. No	Particular	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
1.	Actual Other income considered in True-up orders	123.14	138.01	151.54	210.12	191.09

57. Based on the abovementioned position, the Commission observes that the actual other income has increased from ₹ 123.14 Lacs (as on 31st March'2010) to ₹191.09 Lacs (as on 31st March' 2014). Therefore, in view of the past trend in growth of other income, the Commission has considered ₹ 221 Lacs as SLDC's other income (as claimed by petitioner), for FY 2015-16 in this order. However, the actual other income shall be considered and adjusted appropriately while taking true up exercise for FY 2015-16.

True-up of SLDC Tariff Order for FY 2013-14 based on Audited Accounts:

Petitioner's Submission:

58. The petitioner in para 11 of the petition broadly submitted the following:

Actual Expenses and True up for FY 2013-14:

The expenses towards Employee cost, A&G and R&M for FY 2013-14, shown in forms of the petition for FY15-16, are on the basis of Financial Statements of SLDC for the FY13-14. Further, it is submitted that variation in the figures shown in Balance Sheet, Profit & Loss A/c and its notes to Financial statement for Financial Year 13-14 and the figures shown in formats of the petition, is due to following reasons.

(Amount in Lacs of ₹)

Particulars	Financial statement Ref.		Petition Ref.		Difference	Remark
	Note	Amount	Form No	Amount		
Employee Cost	10	797.60	F4	776.36	21.24	Explanation 1
A & G Expenses	12	47.08	F5	41.36	5.72	Explanation 2
SLDC charges	8	1121.83	F1	988.96	132.87	Explanation 3

Explanation

- The employee cost of ₹ 776.36 Lacs mentioned in Form F4 comprises of actual employee cost of ₹ 770.70 Lacs and training expenses of ₹ 5.66 Lacs. The employee cost of ₹ 797.60 Lacs mentioned in Note 10 of financial statement

comprises of actual employee cost of ₹ 770.70 Lacs as well as the amount of ₹ 26.90 Lacs approximately towards provision of wage revision arrears which is not mentioned in the form F4 of the petition. Further, the training expense ₹ 5.66 Lac is shown in Form 4 as per standard format of the petition but the same is considered as A&G expenses and included in note 12 of financial statement. Therefore, actual Employee Cost of ₹ 776.36 Lacs as mentioned in Form F4 is claimed for true up.

- The A & G expenses of ₹ 47.08 Lac mentioned in Note 12 of Financial statement comprises of various A&G expenses of ₹ 41.36 Lacs, the Banking charges of ₹ 0.06 Lacs and the Training expenses of ₹ 5.66 Lacs. The A&G expenses ₹ 41.36 Lacs shown in form F5 are exclusive of banking charges and Training charges because the banking charges are shown in Form F8 and training charges are shown in Form F4. Therefore, A&G expenses of ₹ 41.36 Lacs as mentioned in Form F5 are actual expenses claimed for true up.
- The SLDC Charges comprises of Revenue from fee & Charges (i.e. from three Discoms & SEZ) and revenue from other charges (i.e. Scheduling & Operation, Connectivity & Application Processing Fees). The amount of ₹ 988.96 Lacs shown in Form F1 includes ₹ 132.87 Lacs towards revenue from 50% of Scheduling & Operation Charges. As per MPERC (Levy & Collection of Fee & Charges) Regulation 2004, (10.3), 50% of scheduling & operation charges are to be considered as earning and balance 50% is to be retained for infrastructure development. Accordingly, total Scheduling & Operation charges of ₹ 265.74 Lacs are shown in two equal parts, 50% amount as earning in Form F1 and 50% amount retained for capex. The amount of ₹ 1121.83 Lacs shown in Note 8 of financial statement include ₹ 132.87 Lacs towards revenue from total Scheduling & Operating Charges. An increase of ₹ 132.87 Lacs in Note 8 of financial statement is due to accounting of 100% of Scheduling & Operating charges received during the Financial Year 13-14. Therefore, the amount of ₹ 988.96 Lacs as shown in Form F1, is actual earning for FY 13-14 claimed for true up.

In view of above, the details of FY 13-14 expenses approved in ARR & Actual expenses as per financial statement are summarized below for Reconciliation / True- up in the ARR for FY 15-16.

True up of FY 13-14 accounts with FY 13-14 Order Expenses:

(Amount in Lacs of ₹)

Particular	Expenses as allowed in ARR for FY 2013-14	Actual Expenses for FY 2013-14	Differences (Allowed-Actual) to be reconciled
Employee Costs	792.62	776.36	16.26
Administration & general Expenses	69.58	41.36	28.22
Repairs & Maintenance Expenses	254.57	255.62	-1.05
Interest & Finance Charges	0.00	0.06	-0.06
Total	1116.77	1073.40	43.37

Income from other fee & charges:

The revenue from other fee & charges, comprising of Scheduling & Operation Charges, Connectivity Charges and Application Processing fee, allowed by the Commission for the FY 2013-14 was ₹ 180.00 Lacs, the actual income works out to ₹ 191.09 Lacs as given below :

(Amount in Lacs of ₹)

Particular	Income as allowed in ARR for FY 2013-14	Actual income for FY 2013-14	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	180	132.87	47.13
Connectivity Charges		16.05	-16.05
Application Charges		36.20	-36.20
Sub Total	180	185.12	-5.12
Other miscellaneous receipts as mentioned in Form F2	0	5.97	-5.97
TOTAL	180	191.09	-11.09

Net amount to be reconciled & adjusted in ARR of FY 2015-16 works out to (43.37-(-11.09) i.e. ₹ 54.46 Lacs.

Commission's Analysis:

59. The petitioner also filed the true-up of FY 2013-14 with the subject petition. The petitioner filed the true-up amount of ₹43.37 Lacs for FY 2013-14 in respect of employee expenses, A & G expenses, R & M expenses & Interest & finance charges & true-up amount of ₹(-) 11.09 lacs in respect of O & S, connectivity, Application & misc charges based on the final accounts and trial balance for FY 2013-14. A copy of final accounts and trial balance for FY 2013-14 was filed with the petition.

60. On scrutiny of the component wise true-up amount filed by the petitioner, the Commission observed the following:
- The training expenses of ₹ 05.66 lacs are included in the employee cost whereas, this amount is recorded under A & G expenses of the final accounts for FY 2013-14.
 - Note-10 of the final accounts has recorded the actual employee expenses of ₹ 797.60 Lacs. In the foot note of Note-10, it is mentioned that the employee benefit expenses includes wage revision arrears of ₹ 26.89 Lacs for which provision has already been made in MPPTCL's account.
 - The amount of wage revision arrears has been paid by MPPTCL and this amount is not indicated in SLDC's Trial Balance. Therefore, the amount of wage revision arrears for SLDC employees shall be allowed after prudent check while true-up of the ARR of MPPTCL for FY 2013-14.
61. The Petitioner filed the actual A & G expenses of ₹41.36 Lacs for FY 2013-14, whereas Note-12 of the audited accounts indicates the actual A & G expenses of ₹47.08 Lacs including the training expenses of ₹05.66 lacs and the Banking charges of ₹0.06 Lacs. Therefore, the actual A & G expenses of ₹47.02 lacs are considered in this order.
62. The petitioner filed the R & M expenses of ₹255.62 Lacs. The same is recorded in the final Accounts as well as trial balance of SLDC. Therefore, the Commission has considered the actual R & M expenses of ₹255.62 Lacs for FY 2013-14 in this order.
63. The summary of the true-up amount for FY2013-14 considered in this order is as given below:

(Amount in Lacs of ₹)

Particular	Expenses as allowed in ARR for FY 2013-14	Actual Amount allowed in this order	True –up Amount
Employee Costs	792.62	770.70	21.92
Administration & general Expenses	69.58	47.02	22.56
Repairs & Maintenance Expenses	254.57	255.62	-1.05
Interest & Finance charge	0.0	0.06	-0.06
Total	1116.77	1073.40	43.37
True-up amount of other charges.	(-) 180	(-)191.09	11.09
Total True-up amount for FY2013-14	936.77	882.31	54.46

The net amount to be reconciled & adjusted (subtracted) in ARR of FY 2015-16 is worked out to ₹(43.37– (-11.09)) i.e. ₹ **54.46** Lacs.

Summary of ARR:

64. Based on the above analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2015-16 in this order:

Summary of the ARR as approved by the Commission for FY 2015-16

(₹ in Lacs)			
Sr. No.	Particulars	As filed by SLDC	As approved by MPERC
1	Net Employee Expenses (excluding Terminal Benefits)	967.88	956.59
2	Net A&G expenses	175.01	85.01
3	Net R&M expenses	204.8	204.80
4	Depreciation	0.00	0.00
5	Interest on Loans	0.00	0.00
6	Interest on Working Capital	15.91	0.00
7	Return on Equity	0.00	0.00
8	Income Tax	0.00	0.00
9	Total revenue expenditure	1363.60	1246.40
10	(Less) Other Income	221.00	221.00
11	Total true-up amount	(-) 54.46	(-) 54.46
	a. True-up amount for 2013-14 (O&S/Connectivity/Application/Misc.Charges)	(-) 11.09	(-) 11.09
	b. True-up amount for 2013-14 (Emp.cost/A&G exp/R&m exp/Int.&Fin charges)	(-)43.37	(-)43.37
12	Net ARR for FY 2015-16	1088.14	970.94

Allocation of Annual SLDC Charges:

65. In form F1 of its petition, SLDC has filed Capacity allocation of 14546 MW for FY 2015-16. MPPTCL filed Petition No.33 of 2013 for reallocation of the transmission capacity and revision of transmission charges on account of enhancement of allocated transmission capacity for SEZ complex. The Commission passed an order on the aforesaid petition on 21st October'2013 wherein the transmission capacity has been considered as 14546 MW for FY 2015-16. The same transmission capacity for FY 2015-16 is considered in this order.

66. As per Regulation 11.2 of the MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 (Revision-1, 2006), the allocation of SLDC

charges to the individual Licensees and Open Access customers having the Long-Term Agreements shall be in proportion of share allocation to the total transmission capacity determined by the Commission. Accordingly, the annual SLDC charges are worked out as under:

Annual SLDC Charges for Long - Term Open Access Customers for FY 2014-15

Sr. No	Particulars	Long-Term Open Access customers				Total
		East Discom	West Discom	Central Discom	SEZ Indore	
1	Total annual SLDC charges (₹Lacs)					970.94
2	Long-term allocation of Transmission Capacity (MW) (as per order in P 33-2013 Reallocation of Transmission Capacity for FY 2013-14 to FY 2015-16)	4339.08	5566.97	4621.95	18	14546
3	Annual SLDC charges payable by Long-Term Access customers (₹Lacs)	289.632	371.593	308.513	1.202	970.940
4	Annual SLDC charges payable by Long-Term Access customers (₹/MW)					6674.962

Summary of Fees and Charges:

67. As per Regulation 12.5 of MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 (Revision-1, 2006), if there is a gap between the expected revenues from the currently applicable fee and charges and the revenue requirement for the ensuing financial year, the SLDC shall include a proposal as to how it proposes to bridge this revenue gap. It is presumed that existing level of fee and charges would be sufficient to meet the annual expenses of SLDC. The following table summarises the fees and charges approved by the Commission for use of SLDC services:

Applicability and levy of various SLDC fees and charges for FY 2015-16

Sr. No.	Fee/Charge Applicable towards	Applicability to customer category on the basis of type of agreement								
		Long Term			Short Term			Renewable Energy Sources		
		Yes /No	Frequency	Amount (₹)	Yes /No	Frequency	Amount (₹)	Yes /No	Frequency	Amount (₹)
1	Connection fee	Yes	One Time	1,00,000	Yes	Once for a month or part thereof	5,000	Yes	Only Once, irrespective of Long Term or Short Term	5,000
		No charges for additional short term open access								
2	Annual SLDC charges	Yes	Two Half yearly instalment	6674.96 per MW of allocated transmission	No	--	--	No	--	--

Sr. No.	Fee/Charge Applicable towards	Applicability to customer category on the basis of type of agreement								
		Long Term			Short Term			Renewable Energy Sources		
		Yes /No	Frequency	Amount (₹)	Yes /No	Frequency	Amount (₹)	Yes /No	Frequency	Amount (₹)
				capacity						
3	Operation & Scheduling	No	--	--	Yes	Per transaction per day or part thereof	3,000	No	--	--
4	Revising schedule	Yes	For each revision	3,000	Yes	For each revision	3,000	No	--	--

68. The Fees and Charges determined by this order shall be effective from 1st April' 2015 till 31st March' 2016. The petitioner shall take steps to implement this order after giving seven (7) days public notice in accordance with regulation 1.30 of MPERC (Details to be furnished and fee payable by licensee or Generating company for determination of tariff and manner of making application) Regulations, 2004 and its amendments and calculate its bills of SLDC charges to the Long Term Open access customers other than renewable sources w.e.f. 1st April' 2015 onwards and shall also provide information to the Commission in support of having complied with this order.

Ordered Accordingly

Alok Gupta
Member

A.B.Bajpai
Member

Dr. Dev Raj Birdi
Chairman

Place:- Bhopal

Dated:- 31/03/2015

Annexure – 1

vk; ksx ea i klr vki fRr dk foj .k , oa SLDC Tkcyi j }kjk i Lrqr fclnqkj mRrj-

- 1- vki fRr%&i Lrqr vkdMks vuq kj depkjh 0; ; #- 967-88 लाख तथा प्रशासनिक व्यय रु- 175-01 लाख दर्शाया है । इसका अर्थ यह हुआ कि जिस मानव श्रम पर रु- 967-88 yk[k [kpz fd; k tkuk gS ml dh dffkr pksdl h , oafdz kko; u ij #- 175-01 yk[k Hkh i Fkd l s [kpz fd; s tkus है । यह राशि 18-08 प्रतिशत होती है जो कि मध्य प्रदेश जैसे विकासशील राज्य के लिए कतई भी न्यायोचित नहीं है, इसे कम कर 10 प्रतिशत किया जाना उचित होगा । आंकड़ों से यह भी जाहिर होता है कि कर्मचारी स्वअनुशासित एवं राज्य के लिए पूर्णतया सदुपयोगी नहीं है ।

mRrj %& jkT; Hkkj i k.k dlnz }kjk #- 967-88 yk[k dk i Lrko depkjh 0; ; grq o"K 2015-16 के लिये किया गया है भार प्रेशण केन्द्र द्वारा कर्मचारी व्यय का प्रावधान वर्तमान में dk; jr vf/kdkfj; ka , oa depkfh; ka ds orzku oru ds vk/kkj ij fd; k x; k gS A jkT; Hkkj प्रेशण केंद्र जबलपुर तथा उप राज्य भार प्रेशण केंद्र भोपाल व इंदौर में अधिकारियों व कर्मचारियों dh dgy Lohdr in 135 gS , oa orzku ea 105 vf/kdkjh , oa depkjh dk; jr gA vr% ; kfpdk ea cLrkfor depkjh 0; ; ea dk; jr vf/kdkfj; ka , oa depkfh; ka dks l fefyr fd; k x; k gS A depkjh 0; ; ds ?kVdka dk foj .k ; kfpdk ds Qkel , Q&4 ea i "B Ø- 35 o 36 ea fn; k x; k gS A

jkT; Hkkj प्रेशण केन्द्र द्वारा प्रस्तावित प्रश्न fud , oa l kekl; 0; ; ea ed; r% Hkou dh l j {kk} fo |r 0; oLFkk} यात्रा व्यय, परामर्श 'जुलक तथा पश्चिम क्षेत्रीय विद्युत समिति (WRPC) dks ns okf"kd शुल्क भागिल है। तदानुसार वार्षिक शासनिक तथा सामान्य व्यय वर्ष 2015&16 grq #- 175-01 yk[k प्रस्तावित किये गये है । प्रश्न fud , oa l kekl; 0; ; ds ?kVdka dk foj .k ; kfpdk ds Qkel , Q&6 ea i "B dz 37 , oa 38 ea fn; k x; k gS A

jkT; Hkkj i k.k dlnz ds nkf; Roka dk l eचित निर्वहन निशिर : lk l s , d tfVy i fdz k gS bl grq vuqkoh , oa fo"K; oLrqr l s सकुशल प्रश्न fud , oa l kekl; 0; ; dk vuqku okLrfodr ds vk/kkj ij fd; k gS vr% vki fRrdrkz ds l pko ds vuq lk i Lrkfor depkjh , oa i shkl fud , oa l kekl; 0; ; ea ifjorL djuk U; k; kfpur ugha gksx A ekuuh; vk; ksx l s fuonu gS fd ; kfpdk ea cLrkfor o"K 2015&16 grq depkjh 0; ; #- 967-88 yk[k , oa प्रश्न fud , oa l kekl; 0; ; grq #- 175-01 yk[k Lohdr djus dk d"V dja A

- 2- vki fRr%& i Lrqr vkdMks ea vl; i Hkkj ka l s vk; #- 218 yk[k fofo/k vk; #- 3 yk[k bl i dkj l s dgy vk; #- 221 लाख दर्शाई गई है जो कि कुल व्यय रु- 1363-60 yk[k dk ek= 16-20 प्रतिशत होती है । इस प्रतिशत को बढ़ाकर 25 प्रतिशत किया जाना उचित होगा । और यह संभव है क्योंकि एक ही प्रकार के काबिल लोग विद्युत जैसे विशेष क्षेत्र में वर्षों के काम कर रहे है t qk mudk dkbz i fr) Unh gS gh ugha A vkj ; g l Hko ugh arks bruh nh?kz dkcfy; r ds l keus खड़े प्रश्नवाचक चिन्ह का जवाब दूढ़कर उसकी जिम्मेदारी सामान्य उपभोक्ता के बजाय कार्य से tmS-drkz ij Mkyh tkuh pkfg; s A

mRrj%& jkT; Hkkj i\$\$.k dlnz }kjk vU; iHkkjka l s vk; #- 218 yk[k n'kkz k x; k gA Hkkj i\$\$.k dlnz ea bl en dh vk; eq[; r% [kyh igb miHkkDrkvka l s iklr vkonu 'kYd] vud phdj.k rFkk ipkyu iHkkj , oa la kstu 'kYd ds ek/; e l s gkrh gSA ; kfpdk ea #- 218 yk[k dk iko/kku pkyw o"K 2014&15 ea viy&14 l s vDVcj 14 rd iklr okLrfod vk; ds vk/kkj ij fd; k x; k gA vU; vk; #- 3 yk[k cd l s cklr vupkfu r ; kt o vU; l s iklr vupkfu vk; gA vr% vk; ksx l s fuonu gS fd vU; iHkkjka l s cklr vk; o fofok vk; #- 218 yk[k o #- 3 yk[k Øेश: स्वीकृत करने का कथ/ djA

jkT; Hkkj i\$\$.k dlnz }kjk vU; iHkkjka l s vk; i wkr; % [kyh igb miHkkDrkvka ij vk/kkfjr gkrh gSA jkT; Hkkj i\$\$.k dlnz }kjk [kyh igb miHkkDrkvka l s iklr vkonu dk fujkdj.k fu; ekuq kj fd; k tkrk gSA Li"Vr% ; g vk; [kyh igb miHkkDrkvka ij fuHkj gSA vr% Hkkj i\$\$.k dlnz dh dk; izkkyh vFkok fd l h depkjh@vf/kdkjh dks de ; k vf/kd vk; ds fy; s ftEenjk Bgjkuk U; k; k fpr ugha gksxk A

- 3- vki fRr%& vk dMks vud kj ejEer , oa vupku 0; ; #- 204-80 yk[k gSA ; g rdz l x r ugha gS । प्रतिवर्ष इतनी ज्यादा मरम्मत की आवश्यकता यह दर्शाती है कि ज्यादा कीमत में कम गुणORrk की सामग्री एवं विधि प्रयोग में लाई जा रही है जो कि एक आम व्यक्ति द्वारा भरी जा रही राशि एवं कर का दुरुपयोग है । क्यों न इस राशि को उन लोगों से वसूला जाये जो यह कार्य संभालते है । किसी दुर्घटना की दशा मे यदि मरम्मत की आवश्यकता पड़ती हो तब भी उस depkjh 0; ; का अधिकतम 5 प्रतिशत किया जाना चाहिये ।

mRrj%& jkT; Hkkj i\$\$.k dlnz }kjk #- 204-80 yk[k iLrko ejEer , oa vupku 0; ; grq o"K 2015& 16 grq j [kk x; k gSA ejEer , oa vupku 0; ; ea eq[; r% ?kVd LdkMk ; rFkk okbM cM dE; fuds'ku ds ejEer 0; ; l fEefyr gSA LdkMk ; rFkk okbM cM dE; fuds'ku jkT; Hkkj i\$\$.k dlnz ij fxM dh fuxjkuh grq vfuok; Z gS ft l s fxM dk l pkyu l pk; : lk l s fd; k tk l dsA vr% LdkMk ; rFkk okbM cM dE; fuds'ku dk j [kj [kko vfuok; Z gSA

; g Hkh tkudkj h nsk mfpr होगा कि मुम्बई, मध्यप्रदेभा, छत्तीसगढ़, गुजरात एवं गोवा में स्थापित LdkMk ; rFkk okbM cM dE; fuds'ku izkkyh ds l \$kkj.k grq l a pr : i l s if'pe {ks=h; भार प्रेशण केंद्र द्वारा संबंधित कंपनियों को आदेभा जारी किया गया है । तदानुसार मध्यप्रदे'k l s l c f/kr l \$kkj.k 0; ; dk Hkxrkku jkT; Hkkj i\$\$.k dlnz }kjk if'चम क्षेत्रीय भार प्रेशण केंद्र, i koj fl LVe vkw j's ku dkw k's ku fyfeVM] efcbl dks fd; k tkrk gSA vr% ekuuh; vk; ksx l s fuonu gS fd ; kfpdk ea cLrkfor o"K 2015&16 grq ejEer , oa vupku 0; ; #- 204-80 yk[k Lohdr djus dk d"V djA