

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



Petition No. 69/2016

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 2017-18 and approval of Capital Expenditure Plan of SLDC, Jabalpur for FY 2016-17 to FY 2020-21.

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. West Central Railways, Jabalpur**
 - 6. M.P. Power Management Co. Ltd., Jabalpur**
 - 7. M.P. Power Transmission Company Ltd., Jabalpur**
 - 8. Kalpataru Satpura Transco Pvt Ltd Gandhinagar**
 - 9. M. P. Power Generating Co. Ltd., Jabalpur**
 - 10. Narmada Hydro-Electric Development Corp. Ltd., Bhopal**
 - 11. Narmada Valley Development Authority, Bhopal**
 - 12. Jaiprakash Power Ventures Ltd., Uttar Pradesh**
- Respondents**

ORDER

(Passed on this day of 26th April 2017)

1. This order relates to petition No.69 of 2016 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as “SLDC”) for "Levy & Collection of Fee & Charges by SLDC for FY 2017-18" and “approval of its Capital Expenditure Plan for FY 2016-17 to FY 2021-22” 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 (hereinafter referred to as “SLDC Regulations”). 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 Fee and Charges to be levied and collected by it by **31st October every year**.
5. Vide letter dated **26th October’ 2016**, SLDC sought time extension up to **30th November’ 2016** for filing the petition for levy and collection of Fee and Charges by SLDC for FY 2017-18 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 **25th November’ 2016**.
6. Considering the request, SLDC was allowed to file the petition for levy and collection of

Fee and Charges for FY 2017-18 by **30th November' 2016**. On **29th November' 2016**, SLDC filed the subject petition for levy and collection of Fee and Charges by it for FY 2017-18.

7. 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,(Central Act 36 of 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) *In pursuance to section 32(3) of the 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) *As per 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. However, 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 2017-18 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.”

8. The petitioner also claimed the actual expenses and income from other fee and charges in FY 2015-16 vis-a vis approved in the ARR of FY 2015-16 for reconciliation / true-up of the same in the ARR for FY 2017-18 as given below:

(Amount in Lakhs of ₹)

<i>Particular</i>	<i>Expenses as allowed in ARR for FY 2015-16</i>	<i>Actual Expenses for FY 2015-16</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>Employee Costs</i>	956.59	995.40	-38.81
<i>Administration & general Expenses</i>	85.01	52.66	32.35
<i>Repairs & Maintenance Expenses</i>	204.80	144.64	60.16
<i>Interest & Finance Charges</i>	0.00	0.01	-0.01
<i>Total</i>	1246.40	1192.71	53.69

The petitioner has also filed the following income from other fee and charges:

(Amount in Lakhs of ₹)

<i>Particular</i>	<i>Income as allowed in ARR for FY 2015-16</i>	<i>Actual income for FY 2015-16</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>50% of Scheduling & Operating Charges.</i>	218.00	182.19	35.81
<i>Connectivity Charges</i>		29.90	-29.90
<i>Application Charges</i>		64.00	-64.00
<i>Sub Total</i>	218.00	276.09	-58.09
<i>Other miscellaneous receipts as mentioned in Form F2</i>	3.00	1.04	1.97
<i>TOTAL</i>	221.00	277.13	-56.13

Accordingly, the net amount to be reconciled & adjusted (subtracted) in the ARR of FY 2017-18 is worked out to ₹ (53.69– (-56.13)) i.e. ₹ **109.82** Lacs in the subject petition.

9. Based on the above, the petitioner i.e, State Load Despatch Centre filed the following Annual Revenue Requirement for FY2017-18 :

Sr.No.	Particulars	Amount (₹ Lakh)
1	Employee Cost	1241.87
2	Administration and General Charges	113.16
3	Repairs and Maintenance Expenses	166.19
4	Depreciation	0.00
5	Interest and finance charges	16.86
6	Return on equity/Investments	0.00
7	Provision for Income Tax	0.00
Total		1538.08
	Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee	274.00
	Less: Other Income	3.50
Net Revenue Requirement for FY 2017-18		1260.58

Besides, SLDC has also filed **true-up amount of ₹ 53.69 lacs** for FY 2015-16 on the basis of actual expenses as per the certified Financial Statements of SLDC (as on 31.03.2016) submitted with the petition. While filing the true-up amount for FY 2015-16, SLDC has considered the actual income earned by it in FY 2015-16 from Scheduling and Operating Charges, Connectivity Charges and Application Charges. Therefore, an amount of (-) ₹ 109.82 lacs is mentioned in the petition for adjustment in the above ARR for FY 2017-18 claimed in the subject petition. Accordingly, the net ARR for FY 2017-18 as per the filing is worked out to **₹1150.76 lacs (₹1260.58 lacs-₹ 109.82 lacs)**.

Capital Expenditure Plan of SLDC for FY 2016-17 to FY 2020-21

10. In para No. 31 of Commission's order dated 05th April' 2016 in Petition No. 68 of 2015, (For Levy & Collection of Fee & Charges by SLDC for FY 2016-17), SLDC was directed to prepare a realistic capital expenditure plan for next five years and file the same with the Commission along-with the petition for Levy and Collection of Fee and Charges for FY 2017-18 keeping in view of the observations of the Commission in that order.
11. In compliance with above directions and as per Regulation 12.4 of MPERC (Levy and Collection of SLDC Fee and Charges by SLDC) Regulations 2004, SLDC submitted its Capital Expenditure Plan (Capex) for FY 2016-17 to FY 2020-21 at page No 88 to 98 of the subject petition for approval of the Commission.

12. The SLDC has broadly submitted the following background while filing the aforesaid Capital Expenditure Plan:

“The State Load Despatch Centre Jabalpur is provided with Supervisory Control & Data Acquisition System, Wide Band Communication System, Auxiliary Power supply system, CCTV based surveillance security system, Availability based tariff system, video Conferencing system etc. comprising of sophisticated electronic equipments of state of the art technology. Similar systems have also been provided at backup SLDC at Bhopal & Sub Load Despatch Centres at Indore. The system for Availability Based Tariff/ Energy accounting is also provided at SLDC. In order to maintain suitable environment for reliable operation functioning of above electronic systems, Central Air Conditioning plant is provided at SLDC. The implementation of project “Unified Real Time Dynamic System Monitoring (URTDSM)” which is based on PMUs and Wide Area Management technology and implemented on pan India basis by PGCIL is also under progress in SLDC. Similarly establishment of Renewable Energy Management Centre (REMC) in SLDC for monitoring of Renewable injection is also under progress.

In addition to the existing system and also as replacement of old system, new equipments are required to be provided at SLDC. The project report is prepared for capital works, replacement/ upgradation of ABT & Energy accounting system along with web server & forecasting system for renewable energy, providing office equipments, enhancement of SCADA/EMS & wideband communication system, and civil works. The capital works in progress, such as supply, installation and testing and commissioning of ABT, OA & MIS system, construction of mezzanine floor above the old reflecting pond and its furnishing, construction of shed over the roof of SLDC, replacement of UPS at SLDC Jabalpur etc are summarized in the project report.

The SCADA, ABT, Wide Band Communication systems and other system support services of SLDC are essentially required for reliable, efficient and failsafe operation, monitoring and management of electrical grid in the State. The associated systems such as power Supply and air conditioning are also necessary to ensure round the clock functioning of grid operational services & sophisticated equipments provided at SLDC & Sub-LDCs. Apart from reliable & efficient functioning of the equipments, safety and security from the theft and possible terrorist attack is essentially required. Accordingly, the following capital work are proposed to be implemented at SLDC/ Sub-LDCs during the next five year in a phased manner.”

13. In its CAPEX plan, SLDC has filed the following Capital Works in Progress during the current year & the Capital Works proposed during **FY 2016-17 to FY 2020-21**.

(A) CAPITALWORKS IN PROGRESS: - *Following capital works are in progress and funds as indicated shall be required during current financial year.*

- (i) *Construction of additional floor along with other facilities in Sub LDC Indore building for accommodation of SCADA/ EMS System.*
- (ii) *Construction of Shed Over Roof of SLDC Building.*
- (iii) *Supply, Installation, Testing & Commissioning of ABT,OA & MIS system.*
- (iv) *Construction of Mazenine floor above the Reflecting Pond along with construction of lift.*

(B) CAPITAL WORK PROPOSED: - *The following works are proposed in the Capex plan during FY 2016-17 to FY 2020-21.*

- (i) *Furnishing of Mazenine Floor above reflecting Pond.*
- (ii) *Providing office equipments at SLDC & Sub LDC.*
- (iii) *Providing Split AC at SLDC.*
- (iv) *Construction of Additional Parking Space at SLDC.*
- (v) *Construction of Two Rooms near UHF Room.*
- (vi) *Providing reception Desk and Visitors Lounge at SLDC.*
- (vii) *Cutting of Rock & Levelling near the Boundary Wall to develop the Premise & construction of Pathway around SLDC Building.*
- (viii) *Fire Hydrant Drilling of the Tube well, Installation of pump etc.*
- (ix) *Providing Peripheral Lighting Arrangement around SLDC Building.*
- (x) *Partitioning and Furnishing of area below Mazenine Floor.*
- (xi) *Replacement of UPS at SLDC Jabalpur.*
- (xii) *Miscellaneous requirement for Upgradation of SCADA/EMS,Wideband Equipments, REMC system, URTDSM project etc.*

(C) REQUIREMENT AND AVAILABILITY OF FUND :-

In line with section 10.3 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulation 2004, Revision-1, 2006 (RG-16 of 2006), the 50% of Operation and Scheduling charges being received from Long Term / Short Term Open Access Customers, shall be utilized for development of infrastructure at SLDC. The expenditure of proposed capital works shall be met from the 50% of Operation and Scheduling charges.

The details of the availability of capital fund (50% of Operation & scheduling charges) and capital expenditure from FY 2006-2007 to 2015-16 is filed by SLDC are as given below:

(i) Year wise Details of Fund marked for capex fund out of Operation & Scheduling charges				
			Amount in ₹ Lakhs	
Financial Year	Operation & Scheduling Charges.	50% of O&S treated as Income	50% of O&S treated as Capex	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	
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	
2014-15	363.81	181.91	181.91	
2015-16	364.39	182.20	182.20	
Total (A)	2031.68	1015.84	1015.84	
(ii) Details of Actual Capital Expenditure for FY 2006-07 to 2015-16.				
(Amount in Lakhs of ₹)				
Financial Year	Category of Expenditure (A/C Code)			Year wise Total
	Fixed Assets (A/c Group 10)	Capital works in progress (A/c Group14)	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
2014-15	22.73	-8.69	-7.8	6.24
2015-16	7.55	-0.39	0	7.16
Total (B)	209.26	55.36	0	264.62

- (D) Based on the above, the availability of Capex fund, expenditure incurred & total requirement of works, the total requirement & availability of fund for above works for next five years is summarized below :-

Year wise proposed requirement as well as availability of fund in ₹Lakhs							
Sr No	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
1	Availability of fund for Capex (Projected)	160.00	176.00	193.60	212.96	234.26	976.82
2	Previous year Balance	751.22	776.22	856.72	985.32	1168.28	751.22
3	Total Capex Available (1+2)	911.22	952.22	1050.32	1198.28	1402.54	1728.04
4	Capex Requirement	135.00	95.50	65.00	30.00	10.00	335.50
5	Cumulative Surplus (3-4)	776.22	856.72	985.32	1168.28	1392.54	1392.54

- (E) **Regarding Cost Benefit Analysis of the Capital Expenditure proposed, the SLDC has submitted the following:**

“The SCADA and Communication systems provided at Sub-LDCs, SLDC and RLDC are to be maintained round the clock so as to ensure continuous inflow of real time data from the field. The real time data from all Power Stations and important sub-stations of MP is vital for Load Despatch system operation in proper & efficient manner and to minimize system tripping and blackouts. Further, it is imperative to have proper security arrangements, hygienic & conducive working place, adequate and reliable support systems at SLDC/ Sub-LDCs. The proposed capital expenditure plan is aimed to provide such support system facilities and shall have a definite contribution for development of in-house expertise by imparting proper training & conducting technical conferences, and better safety & security of various sophisticated equipments installed at LD Control Centers. These facilities would prove integrated part of basic facilities required for Load Despatch Application and would result in intangible benefits due to further improvement in Power Management, optimum utilization of resources, minimum interruption during breakdowns and faster restoration of system.”

Additional submission:

14. SLDC has submitted the following additional submission on Transmission capacity for FY 2015-16 and FY 2016-17 due to allocation of 200MW to West Central Railways:

a) ***Additional submission on Transmission capacity for FY 2015-16.***

It is submitted that as per Bulk Power Transmission Agreement between MPPTCL and Western Central railway for 200MW has been executed on dated 07.10.2016. As per BPTA, MPPTCL has considered 200MW transmission capacity to Railway w.e.f 22.01.2016. However, SLDC has raised the bills to Three Discoms and SEZ, Indore as per MPERC order dated 31.03.2015 for total transmission capacity of 14546 MW. All the payment has been received from Three Discom and SEZ Indore with in due date.

The Annual SLDC Fee and charges for the FY 2015-16 was ₹ 6674.962 Per MW. Accordingly, Annual SLDC Fee and Charges for WCR w.e.f 22.01.16 to 31.03.16 for 200MW is $200\text{MW} \times 6674.962 \times 70\text{days} / 366 = ₹ 2.553$ lakhs is payable. The details of allocation of ₹ 2.553 lakhs in to Discoms & SEZ, Indore, which is required to be paid by WCR, Jabalpur as given below:-

<i>Allocation of ₹2.553 lakhs (which is required to be paid by WCR, Jabalpur) in to Discoms & SEZ in to transmission capacity approved by Hon'ble Commission in SLDC order dated 31.03.15</i>					
<i>Particular</i>	<i>East Discom</i>	<i>West Discom</i>	<i>Central Discom</i>	<i>SEZ, Indore</i>	<i>Total</i>
<i>Transmission capacity allocated as per MPERC order dated 31.03.15.</i>	4339.08	5566.97	4621.95	18	14546
<i>% Allocation</i>	29.83	38.28	31.77	0.12	100.00
<i>Allocation of ₹2.553 lakhs in to above allocation %</i>	0.761	0.978	0.811	0.003	2.553
<i>Excess amount Received from Discoms and SEZ Indore will be adjusted with ARR for FY 2017-18</i>	0.761	0.978	0.811	0.003	2.553

b) ***Additional submission on Transmission capacity for FY 2016-17***

- (i) *It is submitted that Hon'ble Commission has considered 40MW transmission capacity for M/s MPAKVN (SEZ) w.e.f 01.04.2016 vide MPERC order dated 10.06.2016. However, SLDC has raised the bill to SEZ Indore as per MPERC order dated 05.04.2016 for 18 MW transmission Capacity and SEZ Indore has paid all payment for FY 2016-17.*

- (ii) It is also submitted that as per Bulk Power Transmission Agreement between MPPTCL and Western Central railway for 200MW has been executed on dated 07.10.2016. As per BPTA, MPPTCL has considered 200MW transmission capacity to Railway w.e.f 22.01.2016. However, SLDC has raised the bills to Three Discoms and SEZ, Indore as per MPERC order dated 05.04.2016 for total transmission capacity of 14546 MW. All the payment has been received from Three Discom and SEZ Indore with in due date. The summary of Annual SLDC Fee & Charges for FY 2016-17 as per transmission capacity allocated as per Hon'ble Commission order dated 05.04.2016 and allocation of SLDC Fee & Charges as per MYT order dated 10.06.2016 and BPTA executed by MPPTCL with Western Central Railway, Jabalpur.

Sr. No	Particular	East Discom	West Discom	Central Discom	SEZ, Indore	WCR	Total
1	Annual SLDC Charges (₹ in lakhs)						824.400
2	Transmission capacity allocated as per MPERC order dated 05.04.16	4339.08	5566.97	4621.95	18	0	14546
3	% Allocation	29.83	38.28	31.77	0.12	0	100
4	Annual SLDC Charges allocated as per MPERC order dated 05.04.16 (4)	245.919	315.510	261.951	1.020	0.00	824.400
5	Transmission capacity as MYT order dated 10.06.16 & BPTA with WCR, Jabalpur	4474.12	5733.40	4766.10	40.00	200.00	15213.62
6	% Allocation	29.41	37.69	31.33	0.26	1.31	100
7	Annual SLDC charges allocated as per MYT order dated 10.06.16 & BPTA with WCR, Jabalpur in above allocation % (7)	242.456	310.716	258.285	2.143	10.800	824.400
8	(Excess amount)/Short Recovered (7-4)=8 for FY 16-17	-3.463	-4.794	-3.666	1.123	10.800	0.000

The summary of adjustment of excess amount recovered from East Discom, West Discom & Central Discom and short amount recovered from SEZ, Indore and Western Central Railway, Jabalpur with ARR for FY 2017-18 as given below:-

Amount in lakhs of ₹

<i>Adjustment of (Excess Amt)/Short Recovered with ARR 17-18</i>							
Sr. No	Particular	East Discom	West Discom	Central Discom	SEZ, Indore	WCR	Total
1	SLDC Charges for ARR 2017-18(As filled in Pettion Form F-1)	338.53	433.80	360.62	2.97	14.84	1150.76
2	Adjustment of (Excess Amt)/Short Recovered for FY 15-16 with ARR 17-18	-0.761	-0.978	-0.811	-0.003	2.553	0.000
3	Adjustment of (Excess Amt)/Short Recovered for FY 16-17 with ARR 17-18	-3.463	-4.794	-3.666	1.123	10.800	0.000
4	Net Amount to be payable for FY 2017-18 (1+2+3)=(4)	334.306	428.028	356.143	4.090	28.193	1150.76

15. The petitioner prayed the following in the subject petition:
- “Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2017-18 as ₹1260.58 lacs towards revenue expenditure.
 - Issue suitable order for distribution of the Fee and Charges among the licensees using the intra-state transmission system.
 - Kindly consider Adjustment of (Excess Amt)/Short Recovered from Three Discom, SEZ Indore & Western Central Railway for FY 2015-16 & FY 2016-17 with ARR 17-18.
16. Motion hearing in the matter was held on **24th January’ 2017**. Vide Commission’s order dated **25th January’ 2017**, the petition was admitted and the petitioner was directed to serve copies of the petition on all the respondents. Vide letter dated **31st January’ 2017**, the information gaps/ discrepancies observed in the petition were communicated to the petitioner and it was asked to file the response by **25th February’ 2017**. The respondents were also asked to file their response on the petition by **28th February’ 2017**. Vide letter dated **10th February’ 2017**, SLDC confirmed that the copies of the petition have been served on all the respondents in the matter.
17. By affidavit dated **21st February’ 2017**, SLDC submitted its point-wise reply to the Commission’s letter dated **31st January’ 2017**.

18. Issue- wise response filed by SLDC is as given below:

(a) **Issue No. 1:**

The Commission accorded in-principle approval to the five year rolling capital expenditure plan of SLDC for FY 2012-13 to FY 2016-17 in its order for levy and collection of fee and charges by SLDC for FY 2013-14. The aforesaid approval of the last Capex plan was subject to certain conditions mentioned at para 1.13 of the order. Therefore, SLDC is required to submit the status of its compliance with each condition mentioned in para 1.13.1 to 1.13.6 of Commission's order dated 10th April '2013 in Petition No. 88 of 2012.

Response:

"The details of capital expenditure plan for the period from FY 2016-17 to FY 2020-21 have been submitted alongwith the petition (69/2016). Further the point wise compliance to the directives mentioned in the order for SLDC Fee & Charges for FY 2013-14 dated 10.04.2013 is submitted below:-

- (i) *SLDC is maintaining proper record of Capex fund, year wise details of SLDC Capex fund and Capital expenditure are shown under table 1 & table 2 on para 3 of proposed capex plan for FY 2016-17 to FY 2020-21 on page no. 96 & 97. Which is also reproduce here as under :-*

			Amount in ₹Lakhs
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
2014-15	363.81	181.91	181.91
2015-16	364.39	182.20	182.20
Total (A)	2031.68	1015.84	1015.84

<i>(Table-2)</i>				
<i>The Details of Actual Capital Expenditure for the FY 2006-07 to 2015-16.</i>				
<i>(Amount in Lakhs of ₹)</i>				
<i>Financial Year</i>	<i>Category of Expenditure (A/C Code)</i>			<i>Year wise Total</i>
	<i>Fixed Assets (10)</i>	<i>Capital works in progress (14)</i>	<i>Capital Advance</i>	
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
2014-15	22.73	-8.69	-7.8	6.24
2015-16	7.55	-0.39	0	7.16
Total (B)	209.26	55.36	0	264.62

- (ii) *The works are completed in the best manner and within the approved financial resources.*
- (iii) *Depending upon the urgency of work, the schedule of works has been reviewed and submitted along with the petition as Annexure CPI.*
- (iv) *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.*
- (v) *The updated physical and financial progress of each work has been filed with petition as Annexure-CPI and also provided in Form F15.*
- (vi) *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.*
- (vii) *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 15-16 against plan for SLDC has been mentioned in Form-F15”.*

(b) Issue No. 2:

How the year-wise availability of fund for proposed/project capex is worked out by SLDC in Table -1 of para 3.0 of its proposed Capex plan for FY 2016-17 to FY 2020-21.

Response:

“The year wise requirement of fund for proposed capital works as well as availability of funds is submitted in para 3 of proposed/project Capex Plan for 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 2016-17. The projected availability of fund for FY 2017-18 is considered on the basis of actual amount received up to October 2016 and projected from Nov-2016 to Mar-2017 on the basis of actual received up to Oct-16. Further, projected income from Operating & Scheduling charges for FY 2018-19 to 2020-21 has been worked out on the basis of projection for FY 17-18 with 10% escalation for subsequent years. The details of Capex requirement has been made on the basis of capital work in progress and the work proposed to be implemented during the FY 2016-17 to FY 2020-21, as shown in Annexure-CPI. The year wise proposed requirement as well as availability of fund is reproduced here as under:-

Year wise proposed requirement as well as availability of fund in ₹Lakhs							
Sr. No	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
1	Availability of fund for Capex (Projected)	160.00	176.00	193.60	212.96	234.26	976.82
2	Previous year Balance	751.22	776.22	856.72	985.32	1168.28	751.22
3	Total Capex Available (1+2)	911.22	952.22	1050.32	1198.28	1402.54	1728.04
4	Capex Requirement	135.00	95.50	65.00	30.00	10.00	335.50
5	Cumulative Surplus (3-4)	776.22	856.72	985.32	1168.28	1392.54	1392.54

(c) Issue No. 3:

SLDC is required to certify that any work approved in the earlier capex plan and which has been either partially or fully completed by the petitioner, is not included in the proposed Capex plan.

Response:

“In the capex plan of SLDC for FY 2016-17 to FY 2020-21, submitted for approval, the work, which is approved earlier by the commission but partially completed, is considered in the proposed capex plan. However, only balance capital expenditure for partially completed work is considered in the proposed capex plan. The capital works already completed have not been included in the proposed capex plan”.

(d) Issue No. 4:

It is observed that the following works which were proposed by SLDC & approved by the Commission in the last Capex Plan (for FY 2012-13 to FY 2016-17) are again proposed in the instant Capex Plan for FY 2016-17 to FY 2020-21.

- (i) Cutting of Rocks & leveling near the boundary wall to develop the premises & construction of pathway around SLDC Building.
- (ii) Fire hydrant arrangement, drilling of tube well, installation of pump etc.
- (iii) Providing peripheral lighting arrangement around SLDC building.
- (iv) Partitioning & furnishing of space below mazenine slab.
- (v) Office equipment at SLDC & backup SLDC & Sub SLDC.
- (vi) Providing Split AC at SLDC.
- (vii) Construction of Additional Parking Space.
- (viii) Construction of two rooms adjoin to UHF room.

In view of the above, SLDC is required to explain the reasons in details for not carrying out these works in past five years. SLDC is also required to explain the change in proposed cost towards all aforesaid works in its instant Capex Plan.

Response:

“It is to submit that a committee comprising of higher level officers from Civil Transmission wing, EHT Construction and SLDC was constituted to review various civil works proposed in SLDC and committee decided that most of the civil works like Cutting of Rocks & leveling near the boundary wall to develop the premises & construction of pathway around SLDC Building, Fire hydrant arrangement, drilling of the tube well, Installation of pump, Construction of Additional Parking Space & Construction of two rooms adjoin to UHF room etc shall be taken up after construction of mezzanine floor above reflecting pond work. Accordingly, the civil works included in earlier capex plan are required to be rescheduled and included in new capex plan for FY 2016-17 to FY 2020-21. It is also to submit that for most of the capex plan approved earlier and deferred to new capex plan there is not significant change in project costs. The reason and change in cost which have proposed by SLDC & approved by the Commission in the last Capex Plan (For FY 2012-13 to FY 2016-17) are again proposed in the instant Capex Plan for FY 2016-17 to FY 2020-21 as given in Annexure-1”.

(e) Issue No. 5:

The upgrading of SCADA/EMS Wideband Equipments, REMC system URTDSM Project are proposed in FY 2017-18 and FY 2018-19 respectively. The reasons for the aforesaid proposal in two middle financial years of the plan be submitted.

Response:

“The project Unified real time Dynamic system management (URTDSM) project is being executed by PGCIL on pan India basis. The project covers installation of PMUs in MPPTCL EHV Sub stations and MPPGCL power stations and installation of Phasor data concentrators (PDC) in SLDC. The project is expected to be commissioned by end of FY 2017-18. Similarly the project “establishment of Renewable energy Management Control Centre (REMC) is executed by PGCIL. The NIT for the project is floated and order is expected to be placed by June-July 2017. The project shall be implemented in FY 2018-19. These two systems shall be required to be integrated with existing SCADA/EMS system and the exact integration requirement, if any, shall be known during the project implementation stage. Accordingly, provision for “miscellaneous requirement for up gradation of SCADA/EMS, wideband equipment for URTDSM/REMC project” is kept keeping the commissioning schedule of these projects”

(f) Issue No. 6:

In para 2.2.1(iii) of the capex Expenditure plan, SLDC has submitted that only 10% of project cost is to be met out by SLDC Capex and balance is to be met out from PSDF grant already approved for the work. All details/ documents in support of its contention be submitted.

Response:

“It is submitted that the Ministry of Power, Government of India has sanctioned grant from Power System Development Fund (PSDF) towards Implementation of Integrated system for ABT, Open Access and MIS for MP-SLDC to an amount of ₹ 3.60 Crores (Rupees Three Crores and Sixty Lakhs only) i.e. 90% of Sanctioned cost estimate of ₹4.00 Crore. Therefore, only 10% of the project cost i.e. ₹40 Lakhs is required to be met out from Capex Fund. Accordingly, provision has been made of ₹15.00 Lakhs and ₹25 Lakhs for FY 2016-17 and FY 2017-18 in capex plan.

The copy of letter of Ministry of Power, Government of India and Deputy General Manger (National Load Despatch Centre), POSOCO is being enclosed herewith as Annexure-2 and The order for the project “Implementation of Integrated system for ABT, Open Access and MIS for MP-SLDC “has already been placed to M/s Kalkitech communications Technologies (P) Ltd. Bangalore vide order No. 07-05/174-A/1723 dated 06.08.2016. A copy of the same is enclosed herewith as Annexure-3.”

A. Details regarding revenue from fees and charges furnished in Form F-1**(g) Issue No. 7:**

SLDC has provided the details of revenue received against Fee and Charges from each Generating Company and Licensee whereas, a consolidated amount is shown against revenue received from other charges in Form F-1. SLDC is required to submit the break-up of the details of revenue received from each Generating Company/Licensee in this head also.

Response:

“The details of revenue received by SLDC for FY 2015-16 against Application Processing Fee, Scheduling & Operation Charges and Connectivity Charges as mentioned in F-1 are enclosed herewith as Annexure-4. The projection for revenue from other charges for FY 2017-18 are worked out on the basis of Income received up to Oct-16 from open Access Customers & Generating Companies and mentioned in form F-1.”

B. Details of Other Income furnished in Form F-2**(h) Issue No. 8:**

In form F-2 an amount of ₹ 3.50 lacs is shown in FY 2016-17 & FY 2017-18 towards other income whereas, the actual other income has been ₹ 1.04 lacs in FY 2015-16. The reasons for considering a higher amount of other income for FY 2016-17 & FY 2017-18 in the Format F-2 be explained.

Response:

“The actual other income of ₹ 1.04 lakhs mentioned in Form F-2 for FY 2015-16, comprises of the income due to interest earned on flexi-fix current Account with Bank of ₹ 2.17 lakhs and other Misc Income of ₹ -1.145 lakhs (i.e penalty from supplier , house rent from employees, bus charges from employees, Sale of tender fee & Application Fee under RTI). However, misc income is show negative balance due to wrong classification of account code, which is corrected this year hence actual income of ₹ 1.04 lakhs may be considered in true-up for FY 2015-16. Although Projection for FY 2017-18 has been considered the projection of interest income on flexi-fix current A/c with Bank of ₹ 3.00 lakhs has been considered on the basis of interest income for the year FY17-18. However, other misc income which is not a routine income has been considered as ₹ 0.50 lakhs. It is submitted that actual income will be considered in true-up process for FY 17-18.”

C. Details regarding Employee Cost furnished in Form F-4**(i) Issue No. 9:**

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 2017-18. 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 breakup and details of projection of ₹ 10.00 Lakh mentioned towards apprentice and other training expenses in form F-4, it is submitted that the projection has been made on the basis of training charges @ ₹ 9864/- per candidate paid to PSTI for specialist level training under four category in “Power System Reliability”, “Regulatory Framework in Power Sector”, Power System Logistics”, “Renewable Energy Sources and Grid” and “Power Market Specialist”, for 30 engineers of SLDC and Sub-SLDC Bhopal & Indore. The projection also includes training expenses towards other courses/seminars/workshops regarding SCADA/EMS, URTDSM project, renewable integration, ABT, AMR, EMS, PSS tuning, reactor power management, smart grid and other upcoming emerging fields. The projection also include examination fee approx ` 6000/- per candidate plus service tax required for certification exams for specialist training. Thus a consolidated projection of ₹ 10.00 lakhs is mentioned in form F4 under item “C”.

(j) Issue No. 10:

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, the SLDC is 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 16-17 as these expenses are claimed by MPPTCL. The contention of submission in the petition is 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”.

(k) Issue No. 11:

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 for FY 2015-16 to FY 2017-18. However, the amount towards DA is showing a substantial increase each year. Therefore, the detailed reasons for increase the employee cost on the aforesaid head for its total employees strength of 135 Nos be submitted.

Response:

“The total employee cost projections of ₹ 1241.87 Lakhs for FY 17-18, submitted in the petition (Form-F4) is worked out considering working strength of 103 employees on 15TH November 2016. No provision for vacant post has been considered in projected employee cost. The main reason for increase in employee cost is due to increase in rate of DA & considering the annual increment. The rate of D.A. has been taken as 135% for first sixth month and 140% for next six month of the FY 2017-18 for FY 2017-18. The projection towards increase in salary due to implementation of 7th Pay commission of ₹ 160.05 lakhs has also been considered in employee cost for FY 2017-18. The employee wise detail calculation sheet of employee cost projection for the FY 2017-18 is submitted herewith as Annexure-5”.

(l) Issue No. 12:

The Addl Pay(Wages) & Compensatory off Encashment shown for FY 2017-18 are less than the actual amount of FY 2015-16. The reasons for the aforesaid variation be explained.

Response:

“The projection towards Compensatory Off Encashment has been considered for shift duty officer & employee. The details of calculation has been mentioned in Annexure-5. Also the projection towards Additional Wages for employee has been considered on tentative basis. The details of projection towards Additional Wages are also shown in Annexure-5. Regarding higher actual expenditure of Addl Pay(Wages) and Compensatory Off Encashment for FY 15-16 as compared to the projection for FY 17-18, it is submitted that the higher Addl. Wages and C-Off Encashment in FY 15-16 was mainly due to payment of previous year’s expenses paid in FY 15-16”.

(m) Issue No. 13:

The actual contribution towards DLI/NPS (pension schemes) for FY 2015-16 has been ₹ 10.07 lacs whereas the projected and proposed contribution for FY 2016-17 and FY 2017-18 is shown as ₹12.95 lacs and ₹13.95 lacs respectively which are much higher than the actual contribution during FY2015-16. SLDC is required to clarify the following:

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

Response:

“Regarding projection towards NPS for FY 16-17 & FY 17-18, the point wise information is submitted as below:-

- (a) *The contribution towards NPS (pension scheme) is 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.*
- (b) *The projection towards NPS for the FY16-17 & FY 17-18 has been considered on basis of 10% of (Basic Pay+Grade Pay+DA) on the company cadre employees. On the same methodology projection towards NPS for FY 2015-16, was projected as ₹ 11.54 lakhs. The actual expenditure towards contribution to NPS for FY 15-16 for company cadre employee comes out to ₹ 10.07 lakhs. The variation in projected and actual amount is due to NPS contribution of Sub-LDC Bhopal & Sub-LDC Indore, which are not showing in trial balance of SLDC for FY 15-16. The details of projected contribution towards NPS are submitted in Annexure-5”.*

(n) Issue No. 14:

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”.

(o) Issue No. 15:

SLDC has considered the provision of ₹ 160.05 lacs towards increase in salary due to implementation of 7th Pay Commission under the heading Employee Cost and Provisions. SLDC is required to substantiate its claim in light of MPERC (Terms and Conditions for Determination of Transmission Tariff) (Revision –III) Regulations, 2016.

Response: “

It is submitted that SLDC has considered projection towards increase in salary as ₹160.05 Lakhs for implementation of 7th pay commission, under the head Employee Cost and Provisions (Form F-4 at Sr. No. B 20 on pg no. 37 of the petition). The projection of ₹160.05 Lakhs has been considered as per recommendation of 7th Pay commission and as per prevailing pay structure. The Amount of ₹ 160.05 is only to met out salary requirement for FY 2017-18 for implementation of 7th Pay commission and it does not include arrears amount for FY 2016-17. The calculation sheet for projection of 160.05 lakhs towards increase in salary if 7th pay commission implemented as given in Annexure-6. It is requested to Hon'ble Commission kindly consider the employee cost of 1241.87 Lakhs for FY 2017-18.”

D. Details of Administration and General Expenses furnished in Form F-5

(p) Issue No. 16:

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:

“The submitted projection of ₹ 13.00 Lakh towards MPERC Annual Fees and WRPC Annual charges comprises of 1.00 Lakh towards MPERC Fee for filing petition, ₹ 10.70 Lakh towards WRPC Annual charges and miscellaneous incidental charges of ₹ 1.30 lakhs. The WRPC charges has been workout considering 10% increase on FY 2015-16 charges of ₹ 9.72 Lakhs i.e approx ₹ 10.70 lakhs.”

(q) Issue No. 17:

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 & Annexure8.”

(r) Issue No. 18:

The actual expenditure of ₹4.14 lacs is shown under the head of “Hiring of Vehicles” whereas projected and proposed expenses in this head are ₹10.80 lacs and ₹13.59 lacs for FY2016-17 and FY2017-18 respectively. The reason for high projections under this head be submitted.

Response:

“The projection of ₹10.80 lakhs for FY 16-17 & ₹13.59 lakhs FY 17-18 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. It is submitted that approval of hiring of three vehicle has been obtained from MD, MPPTCL one for Addl. CE/SE, SLDC, Jabalpur and 2 vehicles, each for Back-up SLDC Bhopal and Sub-LDC Indore. The copy of order of Chief Engineer(Corporate Affairs), MPPTCL regarding hiring of vehicles is enclosed herewith as Annexure-9. Thus in FY 2017-18 total four vehicle shall be hired (two four SLDC and one each for backup SLDC and sub-LDC Indore). However, in the petition for SLDC fees and charges for FY 2017-18, SLDC has made provision of vehicle charges for three vehicles instead of four. Hon’ble Commission is requested to kindly approve the proposed expenditure for Vehicle charges amounting to ₹10.80 Lakhs for FY 2017-18. However, the actual expenditure towards Vehicle hiring charges shall be considered during the True-up for FY 2016-17 & FY 2017-18”.

(s) Issue No. 19:

Telephone/fax etc. expenses in FY 2017-18 are about nine times the actual expenses in FY2015-16 as per Financial Statements. The reason for steep rise in these expenses be submitted.

Response:

“The projection towards Telephone/Fax Charges for FY 2017-18 has been made on the basis of existing communication facility, proposed additional communication facility (Broad Band/FTTH Interne Facility at Back-up SLDC at Bhopal and Communication facility at residence of concerned officers) & postage/Telegram/Fax charges.

Regarding increase in projection of telephone /fax expenses, It is submitted that from Financial Year 2016-17 mobile phone facility for Junior Engineer at SLDC/Sub-

LDC are provided under close user group of MPPTCL and the same shall be paid through SLDC while earlier the telephone charges was paid by communication division, MPPTCL and now booked in SLDC A/c. The increase in communication expenses is also due to hiring of Internet lease line facility for SLDC and Back-up SLDC Bhopal (two connection at SLDC & One connection at Back-up SLDC Bhopal @ ₹25000 (rounded) per connection per month FY 2016-17. The details of Communication and postage expenses has been mentioned in Annexure-AG 1 of petition page no. 61.”

(t) Issue No. 20:

The consultancy charges of ₹10 lacs are claimed for FY2017-18 whereas, the actual consultancy charges were shown as ₹ 0.03 lacs in FY2015-16. The reason for claiming higher consultancy charges in FY 2017-18 be submitted.

Response :

“The projection of ₹ 10.00 lakhs has been made towards consultancy charges for FY 2017-18 considering the probable requirement of 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.”

(u) Issue No. 21:

The actual expenditure in FY2015-16 under the heads of “Miscellaneous Expenses” was ₹0.46 lacs whereas the expense under this head are projected very high in FY2016-17 and FY2017-18. The reasons for high projections of these expenses be submitted.

Response:

“The projection of ₹ 6.00 Lakhs under Miscellaneous expenses has been made to meet out any contingent, petty expenses related to Administrative & General category of expenses. It is requested to Hon’ble Commission kindly approve total A&G projections of ₹ 113.16 Lakhs for FY 2017-18.”

E. Details of Repair and Maintenance Expenditure furnished in Form F-6

(v) Issue No. 22:

During FY 2015-16 Repair and Maintenance expenditure on building and Civil works has been ₹ 23.70 lacs. However, the petitioner has estimated/ projected ₹ 43.60 lacs and ₹59.78 lacs on these expenses in FY 2016-17 and FY 2017-18, respectively. The reasons for high projection be submitted.

Response:

The actual expenditure of ₹ 23.70 Lakh shown under civil maintenance head, during the FY 2015-16, comprises of routine maintenance works such as General upkeep of SLDC Building, Change of old M S window with Aluminum windows along with masonry work, plastering etc. , misc. civil works and routine maintenance works.

The projections of ₹ 43.60 Lakhs has been made towards building and civil works under the Repair and maintenance expenses for the FY 2016-17. The projection has been made towards housekeeping charges of SLDC building, Back-up SLDC Bhopal & Sub-LDC Indore and various civil work proposed by civil department for every year. The work related to providing and fixing marble/tiles on steps of stairs has been completed. The booking of actual expenditure shall appear in FY 2016-17.

It is hereto mention that earlier Sub-LDC, Bhopal & Indore were function from Sub Station building. Now Sub-LDC, Bhopal is upgraded to Back-up Bhopal & shifted to newly constructed building similarly Sub-LDC, Indore is also shifted to newly constructed Building resulting enhance General upkeep and maintenance cot for FY 2017-18 Regarding the projection for FY 17-18, It is submitted that the projected amount ₹ 59.78 lakhs include routine maintenance works of building and also housekeeping charges is for SLDC, backup SLDC building at Bhopal and New Sub-LDC building at Indore. The details of misc. civil maintenance works proposed during FY 17-18 are as given below:-

(₹ in lakhs)

Sr. No.	Description of work	Amount
1	General upkeep of SLDC Building at Jabalpur, Bhopal & Indore & maintenance of garden	20.28
2	Replacement of doors & doors frames	6.00
3	Construction of retaining wall.	6.00
4	Internal/external white washing, distempering, painting etc. of SLDC building.	1.00
5	Improvement of CE(LD) Chamber	2.00
6	Miscellaneous repairing and day to day maintenance works	3.00
7	Renovation and up lifting the toilets of SLDC, Nayagaon, Jabalpur (5 No. of toilets)	12.00
8	Renovation of false flooring & Aluminum partition in SCADA hall of SLDC	5.00
9	Improvement/ strengthening of sanitation system/ water supply system	2.00
10	development of garden/i/c beautification, and land scaping	2.50
Total		59.78

The projections ₹ 59.78 Lakhs for FY 2017-18 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 ₹166.19 Lakhs for FY 2017-18.

F. Details of Interest and Finance Charges furnished in Form F-8

(w) Issue No. 23:

The actual expenses on interest and finance charges for FY 2015-16 is observed as 0.01 lacs. 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 ₹ 751.22 lacs as on 31/03/2016. 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 2016-17.

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 ₹ 16.86 Lakhs 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 para 3.0. table -3 of proposed capex plan for FY 2016-17 to FY 2020-21. Looking to the availability of capex fund and proposed capital works at SLDC, there is no shortage of fund. **Accordingly, no working capital is proposed to be raised during FY 2016-17**”.*

H. Additional submission on Transmission capacity for FY 2015-16

(x) Issue No. 24:

In para 12 of the Petition, SLDC has submitted that as per Bulk Power Transmission Agreement between MPPTCL and Western Central railway for 200MW has been executed on dated 07.10.2016. As per BPTA, MPPTCL has considered 200MW transmission capacity to Railway w.e.f 22.01.2016. However, SLDC has raised the bills to Three Discoms and SEZ, Indore as per MPERC order dated 31.03.2015 for total transmission capacity of 14546 MW. All the payment has been received from three Discom and SEZ Indore with in due date.

SLDC has also submitted the following:

- (i) The summary of Annual SLDC Fee & Charges for FY 2016-17 as per transmission capacity allocated as per Commission's order dated 05.04.2016 and allocation of SLDC Fee & Charges as per MYT order dated 10.06.2016 and BPTA executed by MPPTCL with Western Central Railway, Jabalpur.
- (ii) The summary of adjustment of excess amount recovered from East Discom, West Discom & Central Discom and short amount recovered from SEZ, Indore and Western Central Railway, Jabalpur with ARR for FY 2017-18. In view of the above contention of SLDC, it may be submitted that M.P. Power Transmission Co. Ltd., Jabalpur has filed a review petition before the Commission for reallocation of Transmission Capacity under Multi-Year tariff Order issued by the Commission for FY 2016-17 to FY 2018-19 on account of allocation of 200MW Power to Indian Railways. The aforesaid Petition is under process with the Commission. On combined reading of the above petition, MYT order issued by the commission and the subject petition filed by SLDC, it is observed that there is a minor difference in the percentage allocation of Transmission Capacity amongst all three Discoms. In view of the aforesaid observation, SLDC is required to make appropriate correction with appropriate modifications in all relevant tables of its petition to make the percentage allocation consistent with the Commission's MYT order Multi-Year Transmission Tariff Order and also with the filing made by MPPTCL in its petition No 70/2016.

Response:

It is submitted that SLDC has considered the transmission capacity for FY 2016-17 & 2017-18 on the basis of transmission capacity allocated to Long Term Customers vide Transmission MYT order for FY 2016-17 to FY 2018-19 dated 10.06.2016 and 200 MW as per BPTA between WCR & MPPTCL. It has been verified with Petition No. 70/2016 filed by MPPTCL and it is found that same capacity is being considered by SLDC totaling 15213.62 MW for FY 2016-17. The Transmission capacity and its allocation taken by MPPTCL in petition no. 70/2016 for FY 2016-17 as well as taken by SLDC for its adjustment for FY 2016-17 is given here as under:-

Sr. No	Customers	As filled by MPPTCL in Petition No. 70/2016		As filled by SLDC in Petition no. 69/2016 for adjustment	
		Capacity (MW)	% Allocation	Capacity (MW)	% Allocation
1	MP Poorve Kshetra VVCL, Jabalpur	4474.12	29.41	4474.12	29.41

2	MP Madhya Kshetra VVCL, Bhopal	4766.10	31.33	4766.10	31.33
3	MP Paschim Kshetra VVCL, Indore	5733.40	37.69	5733.40	37.69
4	MP AKVN SEZ, Pithampur	40	0.26	40	0.26
5	WCR	200	1.31	200	1.31
Total		15213.62	100.00	15213.62	100.00

It is requested to Hon'ble Commission that kindly consider adjustment of (Excess amt)/Short Recovered from Three Discom, SEZ Indore & Western Central Railway for FY 2015-16 & FY 2016-17 with ARR 2017-18 as submitted under Para 12 of petition.

19. Vide Commissions letter No. 401 dated **06th March' 2017**, SLDC was directed to publish the public notice as approved by the Commission in English and Hindi newspapers within three days. The public hearing in the subject matter was fixed on **18th April' 2017**.
20. Vide letter No. 07-05/E&T/645-XIV/878 dated **23rd March'2017**, it was confirmed by SLDC that it has published the public notice in the following English and Hindi newspapers on **08th & 09th March' 2017**:
- (i) Indore – Pradesh Today (Hindi)
 - (ii) Bhopal – Free Press (English)
 - (iii) Jabalpur – Deshbandhu (Hindi)

The last date for offering comments/suggestions/objections on the petition was within **21days of publication of the notice.**

21. West Central Railway (WCR) (Respondent No. 5) vide its letter No WCR/L/03/7105 'C' Vol (iv) dated 21st February' 2017 has filed its response broadly mentioning the following:

"MPPTCL vide letter No. 04-02/PSP-219-H/185 dated. 20.01.2016 has issued NOC to WCR (Railways) for transfer of 200 MW power starting from 22.01.2016, through Long Term Open Access (LTOA) at 37 Nos. TSS points situated in Madhya Pradesh (WCR) as deemed licensee, operating in a fragmented control area in MP has been considered for scheduling of power.

Further Director Electrical Engg. (dev) Ministry of Railway vide letter No. 2008/Elect/G/170/01/Pt.III (NTPC/RGPPL dt 15.2.17 has informed that RGPPL supply is extended further 5 years.

As per petition Para 12(a) Additional Submission on Transmission capacity for FY 2015-16 Bulk Power Transmission Agreement between MPPTCL and West Central Railway for 200 MW has been executed on 07.10.2016. The annual SLDC fee and charges for FY 2015-16 was Rs. 6674.962 per MW. As per Para (12b)(ii) Table II and SLDC charges for ARR 2017-18 is Rs. 14.84 lakhs, adjustment of excess amount/ short recovered for FY 2015-16 with ARR 2017-18 Rs. 2.553, adjustment of excess amount/ short recovered for FY 2016-17 with ARR 2017-18 Rs. 10.800 lakhs. Net amount to be payable for FY 2017-18 is Rs. 28.193 lakhs.

Hence in view of above it is prayed to Hon'ble Commission Railway is a public transportation agencies and service is being provided to nation at cheaper rate. Hence it is requested to keep levy & collection of fee & charges by SLDC for FY 2017-18 (petition No. 69 of 2016) charges bare minimum being a govt. organization."

22. Vide Commission's letter No. 401 dated 06th March' 2017, SLDC was also directed to submit the response of SLDC on the comments/suggestions received on the petition with the Commission on or before 10th April' 2017.
23. In response SLDC vide its letter No 07-05/E & T/ 645-XIV/28 dated 04th April' 2017 has submitted its response on some clarifications sought by Shri Rohit Kumar, M/s Mittal Processors Delhi. It is observed that the clarification sought and replied by SLDC in its aforesaid letter pertains to the provisions of applicable relevant Regulations.
24. Subsequently, vide No. 07-05/E&T/645-XIV/92 dated 11th April' 2017, SLDC has submitted the following:

"SLDC has not received any representation/comments from any the respondents in Petition No. 69/2016 till stipulated date for submission of representation/comments i.e 10.04.2017. However, one representation from Shri Rohit Kumar, Mittal Processors Delhi was received by SLDC through Email on dated 31.03.2017 for which reply has already been submitted to Hon'ble Commission vide this office letter dated 04.04.2017."
25. The Public hearing in the matter was held on **18th April' 2017** in the court room of the Commission. Only the representatives of SLDC appeared in the public hearing.

Fee and Charges for FY 2017-18

Capital Cost

26. **Petitioner's Submission:**

The petitioner broadly submitted the following:

“The State Load Despatch Centre Jabalpur is provided with Supervisory Control & Data Acquisition System, Wide Band Communication System, Auxiliary Power supply system, CCTV based surveillance security system, Availability based tariff system, video Conferencing system etc. comprising of sophisticated electronic equipments of state of the art technology. Similar systems have also been provided at backup SLDC at Bhopal & Sub Load Despatch Centres at Indore. The system for Availability Based Tariff / Energy accounting is also provided at SLDC. In order to maintain suitable environment for reliable operation functioning of above electronic systems, Central Air Conditioning plant is provided at SLDC. The implementation of project “Unified Real Time Dynamic System Monitoring (URTDSM)” which is based on PMUs and Wide Area Management technology and implemented on pan India basis by PGCIL is also under progress in SLDC. Similarly establishment of Renewable Energy Management Centre (REMC) in SLDC for monitoring of Renewable injection is also under progress.

In addition to the existing system and also as replacement of old system, new equipments are required to be provided at SLDC. The project report is prepared for the capital works, replacement/ upgradation of ABT & Energy accounting system along with web server & forecasting system for renewable energy, providing office equipments, enhancement of SCADA/EMS & wideband communication system, and civil works. The capital works in progress, such as supply, installation and testing and commissioning of ABT, OA & MIS system, construction of mezzanine floor above the old reflecting pond and its furnishing, construction of shed over the roof of SLDC, replacement of UPS at SLDC Jabalpur etc are summarized in the project report.

NECESSITY & SCOPE OF WORK: *The SCADA, ABT, Wide Band Communication systems and other system support services of SLDC are essentially required for reliable, efficient and failsafe operation, monitoring and management of electrical grid in the State. The associated systems such as power Supply and air conditioning are also necessary to ensure round the clock functioning of grid operational services & sophisticated equipments provided at SLDC & Sub-LDCs. Apart from reliable & efficient functioning of the equipments, safety and security from the theft and possible terrorist*

attack is essentially required. Accordingly, the following capital works are proposed to be implemented at SLDC/ Sub-LDCs during the next five year in a phased manner:

CAPITAL WORK IN PROGRESS: - Following capital works are in progress and funds as indicated shall be required during current financial year.

- (I) **CONSTRUCTION OF ADDITIONAL FLOOR ALONG WITH OTHER FACILITIES IN SUB-LDC INDORE BUILDING FOR ACCOMODATION OF SCADA/EMS SYSTEM:** The construction of additional floor along with other facilities at Sub-LDC building Indore is under progress. Work up to ₹ 59.12 lakhs has been completed up March-16 and remaining work will be completed during FY 2016-17. Accordingly expenditure of ₹24 lakhs has been considered for current FY 2016-17 in capex plan. It is also submitted that at present this work is not booked in SLDC books of account and theses assets will be transferred in SLDC Books of Account after completion the work.
- (II) **CONSTRUCTION OF SHED OVER ROOF OF SLDC BUILDING :** - The plan for construction of shed over roof of SLDC building, with expected expenditure amounting to ₹36.00 Lakhs was approved by Hon'ble commission in earlier capex plan. The construction work is in final stage and expenditure of ₹ 36.00 Lakhs is required during the financial year 2016-17.
- (III) **SUPPLY, INSTALLATION, TESTING & COMMISSIONING OF ABT, OA & MIS SYSTEM:** - The plan for supply, installation, testing and commissioning of ABT, OA & MIS system with expected expenditure of ₹4.0 crores rupees was approved by honorable commission. The project is "supply, installation, testing and commissioning of ABT,OA & MIS system" was submitted for funding through power system development funding (PSDF) and vide Ministry of Power letter No. 10/1/2014-OM dated 17-03-2016, 90% of the project cost was approved as grant and only 10% of the project cost is required to be met out through SLDC capex. The order for installation, testing and commissioning of integrated system for ABT, OA and MIS system has been placed to M/s Kalki Communication Technology Pvt Ltd Bangalore based on open tender has already been placed. The implementation of the project is under progress and expected to be completed in fist quarter of FY 2017-18. . Accordingly, provision of Rs. 15 lakh and Rs. 25 lakh respectively in FY 2016-17 and 2017-18 respectively is made in capex plan.
- (IV) **CONSTRUCTION OF MAZENINE FLOOR ABOVE THE REFLECTING POND ALONG WITH CONSTRUCTION OF LIFT :-** In order to accommodate upcoming

equipments and systems like Wide Area Measurement System (WAMS), REMC equipments, and also to accommodate more officers/staff, additional space is required to be created in SLDC building. Construction of a mezzanine floor above the old reflecting pond was therefore approved by honorable commission in the previous capex plan. Similarly for easy approach to various floor of SLDC, installation of lift with duct system is also approved in earlier capex plan. The expected expenditure for construction of mezzanine floor along with its partitioning into office cabins etc and installation of lift with duct system shall be approximately ₹ 75.50 lakhs. The order for these works has already been placed by civil department and work is expected to be completed in FY 2017-18. Accordingly, the provision of ₹ 45.00 Lakhs FY 2016-17 & ₹ 30.50 lakhs in FY 2017-18 is required.

CAPITAL WORK PROPOSED: - Following capital works are proposed to be taken up during FY 2016-17 to 2020-21:-

- (I) **FURNISHING OF MAZZENINE FLOOR ABOVE REFLECTING POND:-** The construction of mezzanine floor above reflecting pond is under construction and It will completed during the FY 2016-17. In order to utilized same the mezzanine floor is also need to be furnished with office / computer desks, chairs with storage cabinets etc for senior officer . Accordingly, the provision of Rs. 15.00 Lakhs has been considered in FY 2016-17.
- (II) **PROVIDING OFFICE EQUIPMENTS AT SLDC& SUB-LDC:** The office equipments such as computers, printers, peripherals, photocopiers, fax machine, vaccume cleaners, etc are required to be procured to cater the requirement of new executives, officials, extra work as well as for replacement /upgradation of old survey reported equipments etc. Further, attendance monitoring system, provision of extra display facility in conference room, control room to accommodate enhanced information as well as improve visibility is required. In addition to this some additional security equipment/software etc may also be required to enhance cyber security. Further, some miscellaneous items like water filter, water purifier, water dispenser, vacuum cleaners, refrigerator, etc are also required to be procured for SLDC. The details of required office equipment and estimate shall be finalized before actual purchase. Accordingly, a lump sum provision of ₹ 5.00 Lakhs per year is kept in each financial year from 2017-18 to 2020-21.

- (III) PROVIDING SPLIT AC AT SLDC:-** In addition to the centralized Air Conditioning, separate window type air-conditioners units was commissioned in 2000, at SLDC Jabalpur SCDA /EMS rooms, so that desired temperature prescribed for SCADA/EMS equipments may be maintained even in case of failure in centralized air conditioning plant. These air conditioning units are required to be replaced with split type Air-Conditioners unit. Further, similar split type air conditioners units is also required to be provided in ABT equipment room, Carrier room for UPS and also in proposed Wide Area Management System (WAMS) room. Accordingly, it is proposed to procure eight number split type air conditioners (four for replacement of existing air conditioners in SCADA/EMS room, one for ABT room, two for carrier room and one for WAMS room).Accordingly, lump sum provision of ₹ 4.00 Lakhs was approved in earlier capex plan. However, the work was deferred due to on going construction works in LD and shall be taken up in 2017-18. Accordingly, provision of Rs. 4.00 lakh is made for the same in FY 2017-18.
- (IV) CONSTRUCTION OF ADDITIONAL PARKING SPACE AT SLDC: -** The existing parking space for two wheelers/ four wheelers of the Officers & Staff of SLDC is not adequate. Therefore, it is necessary to develop additional parking space for safe & secured parking of cars and scooters. Accordingly, the work for construction of additional parking space is proposed to be taken up during financial year FY 2017-18. A lump sump provision of ₹8.00 Lakhs has been made for the proposed work.
- (V) CONSTRUCTION OF TWO ROOMS NEAR UHF ROOM:-** In order to provide additional office space for new executives, officials, it is proposed to construct two number of rooms near UFF room. The total expenditure in construction of two rooms is expected as ₹ 3.0 lakh. The work is expected to be completed during FY 2017-18. Accordingly, a provision of ₹3.0 lakh is made FY 2017-18.
- (VI) PROVIDING RECEPTION DESK AND VISTORS LOUNGE AT SLDC: -** At present, SLDC is not having reception desk and visitors lounge. The additional tasks & responsibilities entrusted on SLDC have lead to frequent visit of delegates from other organization to SLDC. Also, in accordance with the recommendations of the committee on “Manpower Certification & Incentive for System Operation & Ring fencing State Load Despatch Centers”, has acquired ISO Certification. Therefore, the essential arrangements, such as reception desk & visitors lounge shall be required in near future. The work is already been approved in previous capex plan (FY 2012-13 to FY 2016-17), However due to other construction work this work is deferred and now proposed to be

taken up in FY 2017-18. The cost estimate for these works shall be approximately ₹ 10.00 Lakhs.

(VII) CUTTING OF ROCKS & LEVELLING NEAR THE BOUNDARY WALL TO DEVELOP THE PREMISE & CONSTRUCTION OF PATHWAY AROUND SLDC BUILDING:-

The area between SLDC building and boundary wall is uneven and full of rocks and hence not approachable. This may create problem in providing support in case of hazards especially during night hours. Further, proper monitoring around the building is also not possible because of rocks and uneven level around the boundary wall. It is therefore proposed to arrange cutting of rocks & leveling near the boundary wall and also arrange construction of pathway around the SLDC building. Accordingly provision of ₹ 3 lakhs for cutting of rocks & leveling near the boundary wall & provision of ₹ 4 lakh for construction of path way around the SLDC building i.e total ₹ 7.0 lakhs is made during the financial year 2018-19.

(VIII) FIRE HYDRANT DRILLING OF TUBE WELL, INSTALLATION OF PUMP ETC.

In compliance to the directives issued by GoMP, the security & fire safety aspects of various power installations including SLDC have been recently reviewed by Vigilance & Security department of MPSEB. Based on the site observation, the Vigilance & Security department has advised construction of boundary wall around the building and providing additional fire extinguishers & fire hydrant system at SLDC. The construction of boundary wall, Security check cabin has already been done. Now arrangement of fire hydrant system at SLDC is required to be completed at the earliest. Accordingly, it is proposed to carry out this work in financial year 2018-19. The lump sum provision of ₹ 30.00 lakhs in FY 2018-19 is therefore made.

(IX) PROVIDING PERIPHERAL LIGHTING ARRANGEMENT AROUND SLDC BUILDING:-

Proper lighting arrangement around the building is not available and the same is required to be made for safety and security of the building. Accordingly, a lump sum provision of ₹ 5.00 lakh is made during the financial year 2018-19.

(X) PARTITINING AND FURNISHING OF AREA BELOW MEZANINE FLOOR: -

A mezzanine floor has been constructed recently by partitioning the office hall in SLDC, Jabalpur. To create more accommodation for officers/staff, the space below the mezzanine floor is also need to be furnished with office / computer desks, chairs & partitioning into office cabins with storage cabinets etc. The work is already been approved in previous capex plan (FY 2012-13 to FY 2016-17), However due to other

construction work this work is deferred and now proposed to be taken up in FY 2018-19.,
The cost estimate for these works shall be approximately ₹13.00 Lakhs.

- (XI) **REPLACEMENT OF UPS AT SLDC JBALPUR :-** The Auxiliary Power Supply system consisting of dual UPS OF 45 KVA capacity each, Battery bank, DCPS, available at SLDC Jabalpur commissioned under Unified Load Despatch & Communication (ULDC) project WR and functioning since 2005. The battery bank of UPS system at SLDC Jabalpur was replaced under “replacement of SCADA/EMS system of WR” project however, considering the performance of UPS and its recommended life of fifteen year, the replacement of UPS shall be required to be taken up in 2019-20. Accordingly, provision of ₹20 lakhs is being made for this in the financial year 2019-20.
- (XII) **MISCELLANOUS REQUIREMENT FOR UPGRADATION OF SCADA/EMS, WIDEBAND EQUIPMENTS, REMC SYSTEM, URTDSM PROJECT ETC:-** The commissioning of URTDSM project with installation of PMUs in 400KV MPPTCL Sub stations and SGTPS power station and installation and commissioning of Phasor Data Concentrator (PDC) system in SLDC is in progress. Similarly installation and commissioning of Renewable Energy Management Centre (REMC) system with separate SCADA/EMS system for monitoring of renewable injection as well as forecasting and scheduling of renewable generators shall be taken up in FY 2017-18 and FY 2018-19. The strengthening of communication system/ upgradation of wideband nodes, addition of miscellaneous protocol converters etc may be required during the commissioning of theses projects. Accordingly the provision of Rs. 10.00 lakh in FY 17-18 and Rs. 5.00 lakh in each subsequent years is made, to meet out any contingency requirement during the execution of these projects.

REQUIREMENT AND AVAILABILITY OF FUND :-

In line with section 10.3 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulation 2004, Revision-1, 2006 (RG-16 of 2006), the 50% of Operation and Scheduling charges being received from Long Term / Short Term Open Access Customers, shall be utilized for development of infrastructure at SLDC. The expenditure of proposed capital works shall be met from the 50% of Operation and Scheduling charges. The details of the availability of capital fund (50% of Operation & scheduling charges) (Table-1) and capital expenditure (Table-2) from FY 2006-2007 to 2015-16 is given below :-

Year-wise Details of Fund marked for capex fund out of Operation & Scheduling charges

Amount in ₹Lakhs(table-1)

Financial Year	Operation & Scheduling Charges.	50% of O&S treated as Income	50% of O&S treated as Capex
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
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
2014-15	363.81	181.91	181.91
2015-16	364.39	182.20	182.20
Total (A)	2031.68	1015.84	1015.84

The Details of Actual Capital Expenditure for the FY 2006-07 to 2015-16.

(Table-2)(Amount in Lakhs of ₹)

Financial Year	Category of Expenditure (A/C Code)			Year wise Total
	Fixed Assets (A/c Group 10)	Capital works in progress (A/c Group14)	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
2014-15	22.73	-8.69	-7.8	6.24
2015-16	7.55	-0.39	0	7.16
Total (B)	209.26	55.36	0	264.62

The total requirement & availability of fund for above works for next five years is summarized below :-

Year wise proposed requirement as well as availability of fund in ₹Lakhs							
Sr. No	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
1	Availability of fund for Capex (Projected)	160.00	176.00	193.60	212.96	234.26	976.82
2	Previous year Balance	751.22	776.22	856.72	985.32	1168.28	751.22

3	Total Capex Available (1+2)	911.22	952.22	1050.32	1198.28	1402.54	1728.04
4	Capex Requirement	135.00	95.50	65.00	30.00	10.00	335.50
5	Cumulative Surplus (3-4)	776.22	856.72	985.32	1168.28	1392.54	1392.54

The opening balance of capex fund for FY 2016-17 of ₹751.22 lakhs comprises of total amount received towards 50% of Operation & Scheduling Charges from FY 2006-07 to FY 2015-16 of ₹1015.84 lakhs as mentioned in table-1 less actual capital expenditure of ₹264.62 lakhs as mentioned in table-2 The balance capex fund of each year shall be carried forward for meeting out Capex requirement of subsequent years.

COST BENEFIT ANALYSIS: - The SCADA and Communication systems provided at Sub-LDCs, SLDC and RLDC are to be maintained round the clock so as to ensure continuous inflow of real time data from the field. The real time data from all Power Stations and important sub-stations of MP is vital for Load Despatch system operation in proper & efficient manner and to minimize system tripping and blackouts. Further, it is imperative to have proper security arrangements, hygienic & conducive working place, adequate and reliable support systems at SLDC/ Sub-LDCs. The proposed capital expenditure plan is aimed to provide such support system facilities and shall have a definite contribution for development of in-house expertise by imparting proper training & conducting technical conferences, and better safety & security of various sophisticated equipments installed at LD Control Centers. These facilities would prove integrated part of basic facilities required for Load Despatch Application and would result in intangible benefits due to further improvement in Power Management, optimum utilization of resources, minimum interruption during breakdowns and faster restoration of system.”

Provisions in Regulations:

27. 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.”

Commission’s Observations:

28. Vide 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 five years in the aforesaid order was 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	

Capital Expenditure Plan for FY 2016-17 to 2020-21:

29. SLDC has now filed availability of fund for capex works for the five years in the aforesaid order was as given below:

Year wise proposed requirement as well as availability of fund in ₹ Lakhs							
Sr. No	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
1	Availability of fund for Capex	160.00	176.00	193.60	212.96	234.26	976.82
2	Previous year Balance	751.22	776.22	856.72	985.32	1168.28	751.22
3	Total Capex Available (1+2)	911.22	952.22	1050.32	1198.28	1402.54	1728.04
4	Capex Requirement	135.00	95.50	65.00	30.00	10.00	335.50
5	Cumulative Surplus (3-4)	776.22	856.72	985.32	1168.28	1392.54	1392.54

30. On examination of the CAPEX plan filed by SLDC, the following issues were communicated to it seeking its response on all such issues:

- (a) The Commission accorded in-principle approval to the five year rolling capital expenditure plan of SLDC for FY 2012-13 to FY 2016-17 in its order for levy and collection of fee and charges by SLDC for FY 2013-14. The aforesaid approval of the last Capex plan was subject to certain conditions mentioned at para 1.13 of the order. Therefore, SLDC was asked to submit the status of its compliance with each condition mentioned in para 1.13.1 to 1.13.6 of Commission's order dated 10th April '2013 in Petition No. 88 of 2012.
- (b) How the year-wise availability of fund for proposed/project capex is worked out by SLDC in Table -1 of para 3.0 of its proposed Capex plan for FY 2016-17 to FY 2020-21.
- (c) SLDC was asked to certify that any work approved in the earlier capex plan and which has been either partially or fully completed by the petitioner, is not included in the proposed capex plan.
- (d) The following works which were proposed by SLDC & approved by the Commission in the last Capex Plan (for FY 2012-13 to FY 2016-17) are again proposed in the instant Capex Plan for FY 2016-17 to FY 2020-21.
 - (i) Cutting of Rocks & leveling near the boundary wall to develop the premises & construction of pathway around SLDC Building.
 - (ii) Fire hydrant arrangement, drilling of tube well, installation of pump etc.
 - (a) Providing peripheral lighting arrangement around SLDC building.
 - (b) Partitioning & furnishing of space below mazenine slab
 - (c) Office equipment at SLDC & backup SLDC & Sub SLDC
 - (d) Providing Split AC at SLDC
 - (e) Construction of Additional Parking Space
 - (f) Construction of two rooms adjoin to UHF room.

In view of the above, SLDC was asked to explain the reasons in details for not carrying out these works in past five years. SLDC is also required to explain the change in proposed cost towards all aforesaid works in its instant Capex Plan.

- (e) The upgrading of SCADA/EMS Wideband Equipments, REMC system URTDSM Project are proposed in FY 2017-18 and FY 2018-19 respectively. The reasons for the aforesaid proposal in two middle financial years of the plan was sought from the petitioner.
- (f) In para 2.2.1(iii) of the capex Expenditure plan, SLDC has submitted that only 10% of project cost is to be met out by SLDC Capex and balance is to be met out from PSDF

grant already approved for the work. SLDC is to submit all details/ documents in support of its contention.

31. The response of SLDC on all above issues has been mentioned under “Issue-wise response of SLDC” in Para 18 of this order therefore, the same is not repeated in this part of this order.
32. The Commission has observed that the SLDC has shown the availability of fund of ₹751.22 Lacs for Capex against its own capex requirement of ₹ 335.50 Lacs during the proposed plan period. In view of availability of funds being more than the capex requirement during the period, the cumulative balance of the surplus Capex fund is expected to increase during the instant Capex plan.
33. In view of the above and the reply filed by SLDC on issue No. 1 to 6 related to CAPEX plan as mentioned in Para 18 of this order and in accordance with the provisions under SLDC Regulations, the Commission accords in-principle approval to the above mentioned Capex plan filed by the petitioner subject to the following conditions:
 - (a) SLDC shall have a proper account of Capex fund and should also account for the bank interest earned on capex fund.
 - (b) The SLDC must ensure timely completion of capital works so that the SLDC and other stakeholders get due benefits in improving the services. Hence, the SLDC has to allot top priority to the timely completion of the works in the best possible manner and within the approved financial resources.
 - (c) SLDC must ensure that the time over run, if any should not result into cost over run. The SLDC must ensure that cost escalations for reasons other than time over run are consistent with market conditions and those prevailing in other SLDCs / RLDCs in India. The Commission will not allow any unjustified escalated cost for the purpose of determination of fee and charges.
 - (d) The cost of items, instruments, spares, installation and commissioning charges, freight, etc. quoted / charged by the suppliers / vendors should be properly analyzed and verified by SLDC to ensure that the cost incurred by it, is in line with the lowest possible prevailing market price for good quality work.
 - (e) The SLDC shall file the updated physical and financial progress of each work as

an annexure with all petitions to be filed by the SLDC for determination of fees and charges.

- (f) The SLDC is advised to organize the processing timely to ensure that the execution of the schemes is not affected and also to ensure timely utilization of material being procured against base cost in the proposal to avoid any extra financial liability.
- (g) As per the petitioner, this amount is proposed to be funded from internal resources i.e. through Fee and Charges. The Commission shall monitor the actual expenditure against plan for SLDC. The Capex for subsequent years will be reviewed and approved in respective tariff orders.

34. 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:

35. 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:

36. 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:

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

“The employee cost for FY 2017-18 has been worked out for the working strength at SLDC & Sub-LDCs as on 15-11-2016 As per recommendations of “Manpower, Certification and Incentive for system operation and ring fencing Load Despatch Centers”, basic level training and specialist level Certification course for Load Despatch system operation is under progress. Presently 70 engineers have completed basic level training towards System Operation. The specialist training comprises of four category “Power System Reliability”, Regulatory frame work in Power Sector”, Power System Logistics” & “Renewable Energy sources and Grid”. At present 29 officer have completed the training under category “Power System Reliability” , 5 engineers under the category “Regulatory frame work in Power Sector” and 7 engineers under the category “Renewable Energy sources and Grid” and two engineers on “Power System Logistics” up to Nov -2016. Accordingly, lumsum projection for training on specialist level and management level training programs has been made during FY 2017-18. 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 2017-18 and it is proposed that the same shall be adjusted in true up, if required to be paid.

Further, it is submitted that the recommendation of 7th pay commission is likely to be implemented during FY 2016-17. Therefore, provision towards increase in salary due to implementation of 7th pay commission of ₹ 160.05 Lakhs has been considered which is shown under the heading Employee Cost and Provisions form F-4 at Sr. No. B 20 on pg no. 37 of the petition. The projection towards increase in salary due to implementation of 7th pay commission of ₹ 160.05 Lakhs has been calculated on the basis of matrix table recommended by 7th Pay commission and implemented by Central Govt. and also consider DA rate of 6% for first six months and 9% for next six months and One increment in month of July-17.

The total employee cost works out to ₹1241.87 Lakhs (Form-F4). The provisions for vacant posts, terminal benefit on retirement (pension, gratuity and EL encashment on retirement) have not been considered in the projected employee cost and it is proposed that the same shall be adjusted in true up, if required to be paid.”

Commission’s Analysis:

38. The petitioner filed the projected employee expenses of ₹1241.87 lacs for FY2017-18. The component wise break-up of employee cost is given by the petitioner in Format F4 of the petition.
39. Vide Commission’s letter dated 31st January’ 2017, the petitioner was asked to file the justification on employee related expenses like increase in salary due to implementation of 7th Pay Commission, Terminal Benefits, DLI/NPS (pension schemes), training expenses etc.
40. By affidavit dated 21st February’ 2017, the petitioner filed its detailed reply on the issues raised by the Commission, which is mentioned in **para 18** of this order. On perusal of the response filed by the petitioner, the Commission has noted the following:
- The provision for expenses claimed by SLDC towards expected increase in salary on implementation of 7th Pay Commission is not found in line with the provisions under SLDC Regulations, hence, the same is not considered in this order. However, the Commission shall take a view on this issue on actual payment of the same based on audited accounts of SLDC.
41. In view of the above, the details of employee related expenses considered in this order for FY2017-18 are as given below:

S. No.	Particulars	Amount (₹lacs)
1	Employee expenses filed by the petitioner	1241.87
2	(Less) Provision towards 7th Pay Commission	(-) 160.05
	Employee expenses considered by the Commission	1081.82

Administration and General Expenses:

Petitioner's Submission:

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

“The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2017-18 works out to ₹ 113.16 Lakhs (Form-F5). The above A&G projection comprises of Communication charges, consultancy charges, travelling expenses, Security service charges, Vehicle hire charges, books & stationery, WRPC fee, MPERC fee, advertisement expenses and legal charges. At present electricity bills of SLDC, Backup SLDC & Sub 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 of previous years and Hon’ble Commission has also disallowed the electricity charges in the previous year ARR of SLDC. Accordingly provision for electricity charges has not been made in the ARR for FY 2017-18. It is submitted, if electricity payment is required to be made through SLDC A/c than it will consider with true-up account of FY 2017-18.”

Commission’s Analysis:

43. The petitioner has filed ₹113.16 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 31st January’ 2017, SLDC was asked to file its justification for amount claimed under certain heads like Hiring of Vehicle charges, Telephone/fax charges and Consultancy charges etc.
44. By affidavit dated 21st February’ 2017, the petitioner filed its detailed reply on each issue raised by the Commission, which has been elaborated in **para 18** of this Order

The details of Administration and General expenses allowed for FY 2016-17 in this order are given as below:

S. No.	Particular	Amount (₹lacs)
1.	Administration and general expenses filed by the petitioner	113.16
	Administration and general expenses considered in this order	113.16

Repair and Maintenance Charges:-

Petitioner's Submission:

45. In para 7.3 of the petition, the petitioner broadly submitted the following:
 “The Repair and maintenance expenses for the year 2017-18 are estimated to ₹ 166.19 Lakhs (Form-F6). This includes maintenance charges of SCADA/EMS & Wideband Communication system, AMC charges for ABT Computer System, Maintenance costs of Auxiliary Power Supply system, maintenance of system support services, maintenance of

AC Plant , maintenance of office equipment, maintenance of building (including Backup SLDC at Bhopal & Sub-LDC Indore), maintenance of CCTV camera and hot line exchange etc. The provision for civil maintenance works mainly comprise of replacement of doors & doors frames, retaining wall around SLDC building, white washing of SLDC building, maintenance of office chambers, improvement/strengthening of sanitation/water supply system, development of garden/landscaping, renovation and up lifting the toilets of SLDC building, Jabalpur renovation of False flooring & aluminum partition in SCADA hall of SLDC etc. is also made during FY 17-18.

Regarding wideband communication system, it is submitted that the wideband communication equipments are being installed through PGCIL under “Master Communication Plan” (MCP) of western region. At present the equipment under Phase I of MCP project have been made operational and the installation & commissioning of equipments under MCP Phase II is under progress. Accordingly maintenance charges during one year warranty period (MCP-I) are considered. The contingency provision for maintenance charges of equipments are also considered for equipment will be installed under MCP-II and URTDSM.

Regarding the SCADA/EMS system, it is submitted that the SCADA/EMS equipments was installed under “Replacement and upgradation of SCADA/EMS system of Western Region” project of Powergrid and the same is under commercial operation since 1st July 2016. Accordingly maintenance charges of SCADA/EMS system for one Qtr of warranty period and three Qtr of AMC period are considered in the R&M projection for FY 2017-18.

Commission’s Analysis:

46. The petitioner filed the Repair and Maintenance expenses of ₹166.19 lacs. Detailed breakup of repair and maintenance expenses for FY2017-18 is given in Format F-6 of the petition.
47. Issues raised by the Commission & response filed by SLDC on this head are mentioned in **para 18** of this order.
48. The Commission observed that the estimated increase in R&M expenses is mainly on account of Building and Civil Works. The projections have been made towards housekeeping of SLDC building and various works proposed by civil department. In view of the above, the R&M expenditure of ₹ **166.19 Lacs** for FY 2017-18 is allowed in

this order subject to true-up.

Return on Equity and Depreciation:

Petitioner's Submission:

49. 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 ₹31.05 Lakhs (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 ₹23.27 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to ₹8.05 Lakhs. 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 2017-18.

Provisions in Regulation:

50. 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:

51. The Commission observed 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:

52. 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 ₹128.17 Lakhs.

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 13.3 % (Base Rate 9.3% wef 1st April 2016). The IWC works out to ₹16.86 Lakhs (Form F8).

Provisions in Regulation:

53. 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:

54. The Petitioner filed the Interest on working capital of ₹16.86 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.

55. During FY 2017-18, the Operation and Scheduling (O&S) charges are expected to be ₹274.00 Lacs. In the present petition, SLDC considered 50% of O&S charges i.e. ₹138.00 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 ₹751.22 Lacs as on 31/03/2016 with SLDC.

56. By affidavit dated 21st February' 2017, 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 ₹ 16.86 Lakhs 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 para 3.1 of this letter. Looking to the availability of capex fund and proposed capital works at SLDC, there is no shortage of fund. Accordingly, no working capital is proposed to be raised....." **(emphasis supplied)**

57. 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 2017-18 in this order. The Commission has considered the actual expenses incurred by SLDC in its True-up petition for FY 2015-16 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 FY2017-18.

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

Petitioner's submission

58. 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

59. 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:

60. The petitioner has submitted the following in para 7.9 & 7.10 of the petition:
“Earning of ₹274.00 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 17-18 for ₹ 3.50 lac has been considered in Form F2 towards Interest on flexi-fix current Account with Bank and other Misc Income.”

Provisions in Regulation:

61. 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:

62. 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 2016-17 as given below:-

S. No.	Particulars	Ensuing Year (17-18) (₹ lacs)
1	Scheduling & Operation Charges (50% as income)	176.00
2	Connectivity Charges	32.00
3	Application processing fee for STOAC	66.00
	Total	274.00

63. The Commission has observed the following actual other income from the Final Accounts of SLDC for the last six years:

Particular	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Actual Other income considered in True-up orders	123.14	138.01	151.54	210.12	191.09	277.17	277.13

64. 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 ₹ 277.13 Lacs (as on 31st March’ 2015). Therefore, the Commission has considered ₹ 274Lacs as SLDC’s other income (as claimed by petitioner), for FY 2017-18 in this order. However, the actual other income shall be considered and adjusted appropriately while taking true up exercise for FY 2017-18.

True-up of SLDC Tariff Order for FY 2015-16 based on Final Accounts:

Petitioner's Submission:

65. *The petitioner in para 11 of the petition broadly submitted the following:
“The expenses towards Employee cost, A&G and R&M for FY 2015-16, shown in forms of the petition for FY 17-18, are on the basis of Financial Statements of SLDC for the FY*

15-16. 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 15-16 and the figures shown in formats of the petition, is due to following reasons.

(Amount in Lakhs of ₹)

Particulars	Financial statement Ref.		Petition Ref.		Difference	Remark
	Note	Amount	Form No	Amount		
Employee Cost	10	998.81	F4	995.40	3.41	Explanation 1
A & G Expenses	12	58.49	F5	52.66	5.83	Explanation 2
SLDC charges	8	1429.23	F1	1247.03	182.20	Explanation 3

Explanation

- 1) The employee cost of ₹995.40 Lakhs mentioned in Form F4 comprises of actual employee cost of ₹989.58 Lakhs and training expenses of ₹5.82 Lakhs. The employee cost of ₹998.81 Lakhs mentioned in Note 10 of financial statement comprises of actual employee cost of ₹989.58 Lakhs as well as the amount of ₹9.23 Lakhs approximately towards provision of wage revision arrears which is not mentioned in the form F4 of the petition. Further, the training expense ₹5.82 Lakh 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 ₹995.40 Lakhs as mentioned in Form F4 is claimed for true up.
- 2) The A & G expenses of ₹58.49 Lakh mentioned in Note 12 of Financial statement comprises of various A&G expenses of ₹52.66 Lakhs, the Banking charges of ₹0.01 Lakhs and the Training expenses of ₹5.82 Lakhs. The A&G expenses ₹52.66 Lakhs 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 ₹52.66 Lakhs as mentioned in Form F5 are actual expenses claimed for true up.
- 3) 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 ₹1247.03 Lakhs shown in Form F1 includes ₹182.19 Lakhs 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 ₹ 364.39 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (₹ 182.19 Lakhs) and 50% amount retained for capex (₹ 182.20 Lakhs). The amount of ₹ 1429.23 Lakhs shown in Note 8 of financial statement include ₹ 364.39 Lakhs towards revenue from total Scheduling & Operating Charges. An increase of ₹ 182.20 Lakhs in Note 8 of financial statement is due to accounting of 100% of Scheduling & Operating charges received during the Financial Year 15-16. Therefore, the amount of ₹ 1247.03 Lakhs as shown in Form F1, is actual earning for FY 15-16 claimed for true up.

In view of above, expenses approved in ARR of FY 2015-16 vis -a -vis Actual expenses as per financial statement of FY 2015-16 are summarized below for Reconciliation / True-up in the ARR for FY 17-18.

True up of FY 15-16 accounts with FY 15-16 Order :

(Amount in Lakhs of ₹)

Particular	Expenses as allowed in ARR for FY 2015-16	Actual Expenses for FY 2015-16	Differences (Allowed-Actual) to be reconciled
Employee Costs	956.59	995.40	-38.81
Administration & general Expenses	85.01	52.66	32.35
Repairs & Maintenance Expenses	204.80	144.64	60.16
Interest & Finance Charges	0.00	0.01	-0.01
Total	1246.40	1192.71	53.69

Income from other fee & charges:

The revenue from other fee & charges, comprising of Scheduling & Operation Charges, Connectivity Charges, Application Processing fee & Other Income allowed by the Commission for the FY 2015-16 was ₹ 221.00 Lakhs , the actual income works out to ₹ 277.13 Lakhs as given below :

(Amount in Lakhs of ₹)

Particular	Income as allowed in ARR for FY 2015-16	Actual income for FY 2015-16	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	218.00	182.19	35.81
Connectivity Charges		29.90	-29.90

<i>Application Charges</i>		64.00	-64.00
<i>Sub Total</i>	218.00	276.09	-58.09
<i>Other miscellaneous receipts as mentioned in Form F2</i>	3.00	1.04	1.97
TOTAL	221.00	277.13	-56.13

Net amount to be reconciled & adjusted in ARR of FY 2017-18 works out to (₹53.69– (-56.13)) i.e. ₹109.82 Lakhs”

Commission’s Analysis:

66. In the subject petition, the petitioner also filed the true-up of ARR approved by the Commission for FY 2015-16. The petitioner filed that it has actually incurred ₹1192.71 lacs towards Employee expenses, A&G expenses, R&M expenses & Interest charges against ₹1246.40 lacs approved by the Commission for FY 2015-16. SLDC has recovered actual income of ₹277.13 lacs against the income of ₹ 221.00 lacs, considered by the Commission for FY 2015-16 in respect of O & S, connectivity, Application & misc charges. Accordingly, the true-up amount of (-)₹53.69 lacs and (-) ₹56.13 lacs for FY 2015-16 based on the final accounts and trial balance for FY 2015-16 is considered and adjusted in the ARR of SLDC for FY 2017-18 approved in this order. A copy of final accounts and trial balance for FY 2015-16 was filed with the petition.
67. On scrutiny of the component wise true-up amount filed by the petitioner, the Commission observed the following:
- The training expenses of ₹ 05.82 lacs are included in the employee cost whereas, this amount is recorded under A & G expenses of the final accounts for FY 2015-16.
 - Note-10 of the final accounts has recorded the actual employee expenses of ₹77.13 Lacs. In the foot note of Note-10, it is mentioned that the employee benefit expenses includes wage revision arrears of ₹ 09.23 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 2015-16.
68. The Petitioner filed the actual A & G expenses of ₹52.66 lacs for FY 2015-16, whereas Note-12 of the final accounts indicates the actual A & G expenses of ₹58.48 lacs

including the training expenses of ₹05.82 lacs. Therefore, the actual A & G expenses of ₹45.53 lacs are considered in this order.

69. The petitioner filed the R & M expenses of ₹144.64 lacs. The same is recorded in the Final Accounts as well as trial balance of SLDC for FY 2015-16. Therefore, the Commission has considered the actual R & M expenses of ₹144.64 Lacs for FY 2015-16 in this order.

The summary of the true-up amount for FY2015-16 considered in this order is as given below:

(Amount in Lacs of ₹)			
Particular	Expenses as allowed in ARR for FY 2015-16	Actual Amount allowed in this order	True –up Amount
Employee Costs	956.59	995.40	-38.81
Administration & general Expenses	85.01	52.66	32.35
Repairs & Maintenance Expenses	204.80	144.64	60.16
Interest & Finance charge	0.00	0.01	-0.01
Total	1246.40	1192.71	53.69
Other Charges	(-) 221.00	(-)277.13	56.13
Total True-up amount for FY2014-15	1003.75	832.49	171.25

The net amount to be reconciled & adjusted (subtracted) in ARR of FY 2017-18 is worked out to ₹(53.69-(-56.13)) i.e. ₹109.82 Lakhs.

Summary of Annual Revenue Requirement:

70. Based on the above analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2017-18 in this order:

Summary of the ARR as approved by the Commission for FY 2017-18:

(₹ in lacs)

Sr. No.	Particulars	As filed by SLDC	As approved by MPERC
1	Net Employee Expenses (excluding Terminal Benefits)	1241.87	1081.82
2	Net A&G expenses	113.16	113.16
3	Net R&M expenses	166.19	166.19
4	Depreciation	0.00	0.00
5	Interest on Loans	0.00	0.00
6	Interest on Working Capital	16.86	0.00
7	Return on Equity	0.00	0.00
8	Income Tax	0.00	0.00

Sr. No.	Particulars	As filed by SLDC	As approved by MPERC
9	Total revenue expenditure	1538.08	1361.17
10	(Less) Other Income	(-)277.50	(-)277.50
11	Net Revenue Expenditure	1260.58	1083.67
12	Total True up amount (a+b)	(-)109.82	(-)109.82
	a. True-up amount for 2015-16 (O&S/Connectivity/Application/Misc.Charges)	(-) 56.13	(-) 56.13
	b. True-up amount for 2015-16 (Emp.cost/A&G exp/R&m exp/Int.&Fin charges)	(-)53.69	(-)53.69
13	Net ARR for FY 2017-18	1150.76	973.85

Allocation of Annual SLDC Charges:

71. In form F1 of its petition, SLDC has filed Capacity allocation of 14546 MW for FY 2016-17. MPPTCL filed Petition No.02 of 2016 for Multi Year Transmission Tariff for the control period of FY 2016-17 to FY 2018-19. The Commission passed an order on the aforesaid petition on 10th June' 2016, where in the transmission capacity has been considered as 15013.62 MW for FY 2016-17 and 15308.44 MW for FY 2017-18.
72. The Commission issued MYT order for Transmission Tariff For FY 2016-17 to FY 2018-19 on 10th June' 2016. Allocation of Transmission capacity between four No. Long term open access customers is as hereunder:

S. No.	Customers	FY 2016-17		FY 2017-18		FY 2018-19	
		Capacity MW	Amount ₹ Crores	Capacity MW	Amount ₹ Crores	Capacity MW	Amount ₹ Crores
1	MP Poorva Kshetra VVCL Jabalpur	4474.12	690.79	4562.21	754.21	4857.35	818.78
2	MP Madhya Kshetra VVCL Bhopal	4766.10	735.87	4859.94	803.43	5174.34	872.21
3	MP Paschim Kshetra VVCL Indore	5733.40	855.22	5846.29	966.49	6224.49	1049.23
4	MP AKVN SEZ – Pithampur	14973.62	2311.89	15268.44	2524.12	16256.18	2740.21
		40	6.18	40	6.61	40	6.74
Total -		15013.62	2318.06	15308.44	2530.74	16296.18	2746.96

73. Consequent to the allocation of 200MW power from Ministry of Power (MoP) for Traction Sub Stations of Indian Railways in the state of Madhya Pradesh from Ratangiri Gas and Power Pvt Ltd (RGPPL), Maharashtra, M.P. Power Transmission Company Ltd. Jabalpur has filed the petition (**Petition No. 70 of 2016**) for revision of Transmission

charges to be recovered from the long term use of the transmission system for the control period of FY 2016-17 to FY 2018-19 determined vide Commission's MYT order passed on 10th June' 2016.

74. The Commission vide its order in Petition No. 70/2016 has revised the allocation of transmission capacity and charges amongst three Discoms, SEZ Indore & WCL as given below:

S. No.	Customers	FY 2016-17		FY 2017-18		FY 2018-19	
		Capacity MW	Amount (₹ in Crores)	Capacity MW	Amount (₹ in Crores)	Capacity MW	Amount (₹ in Crores)
1	MP Poorva Kshetra VVCL, Jabalpur.	4474.12	681.72	4562.21	744.47	4857.35	808.85
2	MP Madhya Kshetra CCVL, Bhopal.	4766.10	726.20	4859.94	793.07	5174.34	861.64
3	MP Paschim Kshetra VVCL, Indore.	5733.40	873.58	5846.29	954.03	6224.49	1036.51
4	MP AKVN SEZ – Pithampur	40.00	6.09	40.00	6.53	40.00	6.66
5	WCR on behalf of Railways	200.00	30.47	200.00	32.64	200.00	33.30
Total -		15213.62	2318.06	15508.44	2530.74	16496.18	2746.96

The same transmission capacity 15508.44MW is considered for FY 2017-18 by the Commission in this order.

75. 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 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 for FY 2017-18 as under :

Annual SLDC Charges for Long - Term Open Access Customers for FY 2017-18

Sr. No	Particulars	Long-Term Open Access customers				WCR	Total
		East Discom	West Discom	Central Discom	SEZ Indore		
1	Total annual SLDC charges (₹Lacs)						973.85
2	Long-term allocation of Transmission Capacity (MW) (as per Multi-year	4562.21	5846.29	4859.94	40	200	15508.44

	transmission tariff order in Petition 02-2016 for FY 2016-17 to FY 2018-19)							
3	Annual SLDC charges payable by Long-Term Access customers (₹Lacs)	286.48	367.12	305.18	2.51	12.56	973.85	
4	Annual SLDC charges payable by Long-Term Access customers (₹/MW)							₹6279.484 per MW

76. In para 12 of the subject petition, SLDC has broadly submitted the following:

“Bulk Power Transmission Agreement between MPPTCL and Western Central Railway for 200 MW has been executed on dated 07.10.2016. As per BPTA, MPPTCL has considered 200 MW transmission capacity to Railway w.e.f. 22.01.2016. However, SLDC has raised the bills to Three Discoms and SEZ, Indore as per MPERC order dated 31.03.2015 and 05.04.2016 for total transmission capacity of 14546 MW. All the payment has been received from Three Discom and SEZ Indore with in due date.”

With the above contention, SLDC has requested the Commission to consider adjustment of excess/ short recovery of amount from all Long Term Open Access Customers including Western Central Railways during FY 2015-16 and 2016-17. In view of the submission made by SLDC and the revised allocation of transmission capacity and charges amongst all five Long Term Open Access Customers considered by the Commission in its order in Petition No. 70/2016 and also the bills raised by SLDC to all three Discoms and SEZ, Indore during FY 2015-16 and 2016-17, the request for adjustment of excess/ short recovery of amount by SLDC from all Long Term Open Access Customers during FY 2015-16 and 2016-17 is considered by the Commission in this order.

Summary of Fees and Charges:

77. 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 2017-18

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	6279.484 per MW of allocated transmission capacity	No	--	--	No	--	--
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	--	--

78. The Fees and Charges determined in this order shall be effective from 1st April' 2017 till 31st March' 2018. 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 the bills of SLDC charges to the Long Term Open access customers other than renewable sources w.e.f. 1st April' 2017 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:- 26th April'2017