

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION**  
**5<sup>th</sup> Floor, Metro Plaza, Bittan Market, E-5, Arera Colony, Bhopal - 462016**



**Petition No. 59/2023**

**PRESENT:**  
**S. P. S. Parihar, Chairman**  
**Gopal Srivastava, Member (Law)**  
**P. K. Chaturvedi, Member**

**IN THE MATTER OF:**

**Determination of ARR for SLDC Jabalpur for FY 2024-25, Levy and Collection of Fee and Charges by SLDC for FY 2024-25 and True-up of ARR for FY 2022-23.**

**State Load Despatch Centre (SLDC), MPPTCL, Jabalpur**

**- Petitioner**

**V e r s u s**

- 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. Power Management Co. Ltd. Jabalpur**
- 5. M.P Industrial Development Corporation Ltd. Indore**
- 6. West Central Railways, Jabalpur**

**- Respondents**

**ORDER**  
**(Passed on this day of 21<sup>st</sup> February 2024)**

1. This order relates to petition No. 59 of 2023 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as “SLDC”) for "Levy & Collection of Fee & Charges by SLDC for FY 2024-25" before Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as “the Commission”). As per MPERC (Levy & Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 Revision -1, 2006 (hereinafter referred to as “Regulations”) the petitioner is required to file the petition by 31<sup>st</sup> October every year.
2. 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”).
3. 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 8<sup>th</sup> 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 payable by Licensees / users.
4. SLDC vide letter no. 07-05/E&T/645/XXI/1457 dated 31/10/2023, filed the subject petition for levy & collection of Fee and Charges by SLDC for FY 2024-25. SLDC has broadly submitted as under:

A. SLDC has claimed the following **ARR for FY 2024-25** in the petition:

S. No.	Particulars	Amount (Rs. Lakh)
1	Employee Cost	1459.76
2	Administration and General Charges	298.98
3	Repairs and Maintenance Expenses	308.97
4	Depreciation	0
5	Interest and finance charges	0
6	Return on equity/Investments	0
7	Provision for Income Tax	0
<b>Total</b>		<b>2067.71</b>
8	Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee	257.40
9	Less: Other Income	24.41
<b>Net Revenue Requirement for FY 2024-25</b>		<b>1785.90</b>

B. Further, SLDC has also filed **True-up of ARR for FY 2022-23** on the basis of Financial Statements of SLDC for the FY 2022-23 as under:

**Expenses:**

**(Rs. Lakhs)**

Particular	Expenses as allowed in ARR for FY 2022-23	Actual Expenses for FY 2022-23	Differences (Allowed-Actual) to be reconciled
Employee Costs	1349.55	1353.17	-3.62
Administration & general Expenses	238.26	212.19	26.07
Repairs & Maintenance Expenses	231.29	139.81	91.48
<b>Total</b>	<b>1819.10</b>	<b>1705.17</b>	<b>113.93</b>

**Income from other Fee & Charges:**

**(Rs. Lakhs)**

Particular	Income as allowed in ARR for FY 2022-23	Actual income for FY 2022-23	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	350.00	119.22	230.78
Connectivity Charges	18.00	10.05	7.95
Application Charges	70.00	84.45	-14.45
Sub Total	438.00	213.72	224.28
Other miscellaneous receipts as mentioned in Form F2 (Excluding PSDF Grant (Deferred Income on PSDF Grant and Interest on SLDC Capex Fund Account))	5.00	55.35	-50.35
<b>TOTAL</b>	<b>443.00</b>	<b>269.07</b>	<b>173.93</b>

Net amount for True-up of ARR for FY 2022-23, to be reconciled & adjusted in ARR of FY 2024-25 as submitted by SLDC works out to Rs Lakhs (113.93 - 173.93) i.e. **Rs. (-) 60.00 Lakhs.**

5. The petitioner prayed the following in the subject petition:
- Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2024-25 as Rs. 1785.90 Lakhs towards revenue expenditure along with True-up for FY 2022-23.
  - Issue suitable order for distribution of the Fee and Charges among the licensees using the intra-state transmission system as specified by the Commission.

6. Motion hearing in the matter was held on the 29/11/2023. Having heard the petitioner, the petition was admitted. Vide daily order dated 29/11/2023, the petitioner was directed to serve copy of petition to all Respondents within a week and report its compliance to the Commission. The Respondents were directed to file their reply to the petition within two weeks, thereafter and serve a copy of their aforesaid reply to the petitioner simultaneously. The petitioner was further directed to submit draft public notice on the gist of the petition in Hindi & English within a week. The information gaps and additional details / documents required for processing the petition were communicated to the petitioner separately.
7. Vide Commission's letter No. 2822 dated 14/12/2023, the petitioner was asked to submit reply to the issues mentioned in the subject letter and to publish the public notices in newspapers. SLDC vide its letter No. 458 dated 19/12/2023 submitted that public notices were published in newspapers on 16/12/2023. Further, SLDC vide letter No. 03 dated 02/01/2024 sought time extension for submitting its reply. By letter no. 29 dated 08/01/2024, SLDC submitted pointwise reply to the aforesaid issues. The issues raised & the response of SLDC to each issue is as given below:

**(i) Issue:**

At para no. 30 (i) of the order dated 06/12/2021 in earlier Petition No. 28/2021 the Commission has considered capex plan for five years period of FY 2021-22 to FY 2025-26 which included the Capex plan of Rs 675 Lakhs for FY 2024-25. Subsequently vide Order dated 29/09/2023 in P. No. 23/2023, the Commission also granted in-principle approval regarding SLDC's Capex regarding SCADA / EMS. Therefore, SLDC was asked to submit the information regarding the already approved Capex for FY 2024-25 vis-a-vis that submitted in the subject petition. Reasons for variation were also sought.

**SLDC's Reply:**

*It is submitted that in Original Capex Plan which was sanctioned vide order dated 06.12.2021, the cost of replacement/upgradation of SCADA/EMS at SLDC Jabalpur, back-up SLDC Bhopal & Sub SLDC Indore, SLDC has considered Rs 1500 Lakhs whereas in P. No. 23/2023 (replacement/Upgradation of SCADA/EMS system at SLDC/backup/Sub SLDC) Rs 700.00 Lakhs, Rs 2800.00 Lakhs, Rs 3500.00 Lakhs in FY 2023-24, FY 2024-25 & FY 2025-26 respectfully were considered. The Commission vide order dated 29.09.2023 has approved the project. In this regard it is to submit that, presently tender for the project is under process by Grid-India and technical/commercial bid has been opened in end of November-2023. Accordingly, it is expected that order for the project shall be finalized in end of FY 2023-24. Hence, no provision has been taken in FY 2023-24. Accordingly, now the estimated cost of projected has been considered in FY 2024-25 of Rs 700.00 Lakhs, Rs 2800.00 in FY 2025-26 & Rs 3500.00 in FY 2026-27 considering present project execution status. The Information regarding approved Capex for FY 2024-25 vis-a-vis submitted in subject petition is submitted along with variation.*

**(ii) Issue:**

At para 30(ii) of the aforesaid Order dated 06/12/2021 and at para 27 of the aforesaid Order dated 29/09/2023, the terms and conditions for according in principle approval of the capital expenditure plan were mentioned. However, compliance with the terms & conditions are not reported in the petition. The petitioner was asked to submit its point wise response on the compliance of those terms and conditions.

**SLDC's Reply:**

- (A) *The point wise compliance to the terms & condition mentioned in para 30(ii) of The Commission's order for SLDC Fee & Charges for FY 2021-22 dated 06<sup>th</sup> December 2021 is submitted below: -*
- (a) *SLDC is maintaining proper record of Capex fund. It is submitted that Finance section of MPPTCL has already deposited Rs 1311.91 Lakhs (up to FY 2018-19) in to SLDC Capex Bank Account maintained with Union Bank of India and Interest earned on Capex Fund Bank Account is Rs 56.97 Lakhs for FY 2021-22 & FY 2022-23. SLDC has computed Capex Fund as on 31st March 2023 and as per SLDC records Capex Fund is Rs 2342.98 Lakhs.*
  - (b) *The works are completed in the best manner and within the approved financial resources.*
  - (c) *SLDC is making all the possible effort to completed the work with approve project cost.*
  - (d) *The purchase of items, instruments, spares, installation and commissioning works etc. are processed through issue of enquiry/open tender, e-tender/Gem Portal 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.*
  - (e) *The updated physical and financial progress of each work has been filed with petition (status of Capex Plan) along with Form 15.*
- (B) *The point wise compliance to the terms & condition mentioned in para 27 of The Commission order dated 29.09.2023 in Petition No. 23/2023 (In-principal Approval of Project for "Replacement/Upgradation of SCADA/EMS at SLDC Jabalpur, back up SLDC Bhopal & Sub SLDC Indore) is submitted below:-*
- (a) *SLDC may conduct analysis and prudence check when tender and bids are finalized.*
  - (b) *SLDC shall follow and comply the relevant Rules/Regulation/Procedure laid down by the appropriate Government/CERC/MPERC/Authority/Concerned Agencies.*
  - (c) *SLDC shall perform due diligence and prudence check before proposing final capital cost of the Project to The Commission.*
  - (d) *SLDC will get permission of The commission for utilizing of Capex/DSM Funds as per prevailing rules and regulation. And any other relaxation was asked, SLDC will request to The Commission for specific relaxations was asked.*
  - (e) *SLDC is already maintaining the account of interest on SLDC Capex Fund account and DSM Pool Account.*
  - (f) *SLDC has submitted the updated status of Project replacement/upgradation of SCADA/EMS system in petition.*
- (iii) **Issue:**  
 SLDC has not submitted a chart regarding requirement and availability of Capex fund in a form similar to that mentioned by the Commission at para no. 13 of MPERC's Order in P. No. 73/2022 for SLDC fee & charges for FY 2023-24. Therefore, SLDC shall analyze the availability and requirement of funds and submit details in similar format for FY 2022-23 to FY 2025-26.

**SLDC's Reply:**

The Capex requirement table for FY 2022-23 to FY 2025-26 is given below:-

(Rs in Lakhs)

S. No	Particulars	2022-23	2023-24	2024-25	2025-26	Total
1	Availability of fund for Capex (Approved/Projected)	119.22	133.00	146.30	160.93	559.45
2	Previous year Balance	2193.98	2342.98	2323.15	1584.45	2193.98
3	*Interest on Capex Fund (Gross)	38.27	119.00	50.00	10.00	217.27
4	Total Capex Available (1+2+3)	2351.47	2594.98	2519.45	1755.38	2970.70
5	**Capex Requirement	8.49	271.83	935.00	2962.25	4177.57
6	Cumulative Surplus (3-4)	2342.98	2323.15	1584.45	-1206.87	-1206.87

\* Interest rate consider @ 5.25 %

\*\* The Capital Cost of Replacement of SCADA/EMS system of SLDC, Back-Up SLDC and Sub-LDC, Indore has been considered as Rs 7000/- Lakhs. SLDC will requested The Commission to allow to utilized 70% of the Cost of SCADA Project from DSM Pool Fund Account.

**(iv) Issue:**

The subject petition includes True-up of ARR for FY 2022-23. Therefore, SLDC was asked to submit information of actual achievement of Capex Plan during FY 2022-23 vis –a-vis the Capex plan approved by the Commission for FY 2022-23. Reasons for delay or for undertaking any unapproved work were also sought.

**SLDC's Reply:**

The details of actual achievement of Capex Plan during FY 2022-23 vis-à-vis Capex plan approved by the Commission for FY 2022-.23 is enclosed with reply.

**(v) Issue:**

Form F4 shows “any other terminal benefits” are expected to increase from Rs 39.93 Lakhs in FY 2022-23 to Rs 109.50 Lakhs in FY 2024-25. Reasons for increase and details thereof were sought.

**SLDC's Reply:**

The projection towards “any other Terminal benefit” at Form F4 has been considered towards leave encashment at retirement for 6 no. of officer/employee of SLDC who are retiring during the FY 2024-25. It is to submit that actual expenses of Rs 39.93 Lakh for FY 2022-23 has been due to 3 no. of MPPTCL employee who were retired from SLDC. Further, it is to mention that during the FY 2022-23 total 9 no. of officer/employee had retired from SLDC out of which 6 no. were from deputation from

*MPPGCL, whose payment of leave encashment at the time of retirement has been paid by MPPGCL, hence SLDC has claimed actual payment of leave encashment of 3 no. of officer/employee in FY 2022-23. The details of projection towards leave encashment at the time retirement for 6 no. of officer/employee (who are working in transmission wing) for Rs 109.50 Lakhs is given with reply.*

**(vi) Issue:**

Information submitted in Form F-5 for Administration and General expenses show that the expense on hiring on vehicles is projected as as Rs. 33.00 lakhs for FY 2024-25 @ Rs 55000/- pm for 5 vehicles which is higher than that of Rs 27 Lakhs@ Rs 45000/- pm for 5 vehicles during FY 2023-24. Justification for this expenditure at SLDC was sought.

**SLDC's Reply:**

*The projection of Rs 33.00 Lakhs for FY 2024-25 has been considered as Rs 55000/- PM for 5 vehicles, Whereas, the expenditure towards 5 no. vehicles has been considered as Rs 27.00 Lakhs in FY 2023-24. The increase in FY 2024-25 has been considered in view of actual expense for FY 2022-23 of Rs 29.12 Lakhs and Lum sum provision towards increase in salary of driver and price of diesel. It is requested to The commission kindly may allow expenditure of Rs 33.00 Lakhs for FY 2024-25.*

**(vii) Issue:**

The reasons for increase in “work out sourcing expenses” from Rs. 52.61 Lakhs in FY 2022-23 to Rs. 76.58 lakhs in FY 2024-25 along with the prevalent practice and any approval from Competent Authority in the matter were also sought.

**SLDC's Reply:**

*SLDC has considered the out-sourcing expenses on the basis of outsource employee working in SLDC and projection for six no. of employee i.e total 22 no. of outsource employee has been considered (10 no. highly skilled workers, 10 no. skilled workers and 2 no. semi-skilled workers). Total Projection for 22 no. is works out to be Rs 51.85 Lakhs.*

*Further, it is submitted that total 13 no. of unskilled workers Outsourced for House keeping of SLDC and Back-up SLDC & Sub-LDc, Indore is also considered for Rs 24.73 Lakhs in out sourcing expenses. Further, the projection of 2 no. of skilled computer operator and 4 no. of Highly skilled computer operator have also been considered in outsource expenses due to expected additional requirement looking to the increased work load & provision of outsource employee against retirement of 6 no. employee during the FY 2024-25. Further, additional outsource employee shall also be required for outsourcing of DPR preparation of control Room and requirement of additional outsource employees for formation of Information Security Division for Cyber Security related work. The proposal for administrative approval regarding Cyber security is already submitted to MD, MPPTCL, while proposal for outsourcing of DPR of SLDC shall was sought shortly. The projection of outsource expenses has also been considered after considering the expected increase in minimum wage rate for FY 2024-25.*

**(viii) Issue:**

It is observed that the actual expense on plant and machinery was Rs. 19.58 lakhs during FY 2022-23. This is projected as Rs. 49.25 lakhs during FY 2024-25. The reasons for substantial increase in this head was sought.

**SLDC's Reply:**

*The projection towards Repairs & Maintenance of Plant & Machinery has been considered of Rs 49.25 Lakhs which is comprises of repairs & maintenance of SLDC Plant & Machinery, CCTV camera, AC Plant, AMC of Wide Band Communication System, Maintenance of Auxiliary Power Supply System and AMC of REMC SCADA/EMS System. It is to mention that AMC expenses of REMC system has been meet out through grant received from Government of India (GoI) through Power Grid till FY 2023-24. However, the same was asked to be meet out from partly from R&M of SLDC. Further, the increase in R&M cost towards plant and machinery is due to increase in labour cost and spares cost.*

**(ix) Issue:**

During FY 2022-23, actual expense on Civil works is Nil. However, for FY 2024-25 these are expected to be Rs 45.00 Lakhs. The reasons for increase along with supporting documents was sought.

**SLDC's Reply:**

*The provision for civil maintenance works for next year mainly comprise of Civil Maintenance of SLDC building: repairing of compound wall of SLDC Building, General Internal Civil Maintenance work, General Civil Maintenance work of Water supply sanitation I/C renovation of Sanitation System of SLDC Building. Civil Maintenance work of Newly Allotted Premises, maintenance of back-up SLDC Building i.e roof treatment, painting and distemper of SLDC Building/ Sub-LDC Building and Concertina coil fixing to Compound wall at SLDC Jabalpur etc. are considered on the basis of requirement received from civil department and taken up in 2024-25. It to submit that due to ongoing capital work during FY 2022-23, the maintence related work was not taken up and shall be essential in FY 2024-25.*

**(x) Issue:**

For lines, cable networks and meters the actual expense during FY 2022-23 was Nil. However, for FY 2024-25 these are expected to be Rs 30.00 Lakhs. The petitioner was asked to submit details in support of its projected expenditure under this head.

**SLDC's Reply:**

*As approved by WRPC & NPC, the integration of Interface Energy Meters (IEM) into SCADA/EMS system is to be arranged for minimizing difference of deviation between SCADA values and Energy Accounting. As per WRPC decision, MP has to bear the cost of integration in central sector substations also. Accordingly, based on the estimated cost for one sample substation, the approval was obtained from MD, MPPTCL and estimated towards Integration of Special Energy Meters (SEM) in to SCADA/EMS system at central sector substations of Rs 30.00 Lakhs each in FY 2024-25 is considered in R&M cost.*



**(xi) Issue:**

The application processing fee for STOAC was Rs 84.45 Lakhs during FY 2022-23. This has been projected as Rs 100.00 Lakhs during FY 2024-25. The details of actual revenue under this head till Dec. 2023 & its total expected value during FY 2023-24 was sought. The petitioner is also required to submit reasons for not expecting substantial increase in revenue from other charges during FY 2024-25.

**SLDC's Reply:**

*The projection of Application Processing Fee has been considered on the basis of previous year earning. However, on the basis of the actual application processed up to Dec-2023, application processing fee is calculated as Rs 58.90 Lakhs and on the basis of last year application processed for the Month of January-24, February-24 & March-24, it is expected that Rs 19.85 Lakhs shall be expected to be received for the Month of January-2024, February-2024 & March-2024. It is submitted that 1393 no. STOA application has been processed in FY 2022-23 up to Dec -2022, whereas only 1178 No. STOA application are processed up to Dec-2023 in FY 2023-24. Thus, total expected income under this head shall be less than projected Rs 100.00 Lakhs. It is requested that The commission may allow application processing fee is Rs 100.00 Lakhs and actual income may be considered during the True up process. Further, the other income (50% scheduling & Operating charges) has been considered Rs 146.30 Lakhs which is increasing trends. Further, Connection Fee has been considered on the basis of FY 2022-23.*

**(xii) Issue:**

Form F2 shows that deferred income from PSDF grant was Rs 90.68 Lakhs during FY 2022-23. These are expected to reduce to Rs 19.41 Lakhs during FY 2024-25. The petitioner was asked to submit reasons for the reduced projections for FY 2024-25 and also about accounting treatment of this receipt.

**SLDC's Reply:**

*It is submitted that amounting to Rs 90.68 Lakhs mentioned in serial no. 9 under the head Miscellaneous charges (Deferred Income on PSDF Grant)/Deferred Income on MP SLDC REMC Grant) are comprises of Rs 37.14 Lakhs towards Deferred Income on PSDF Grant & Rs 53.54 Lakhs towards Deferred Income on MP SLDC REMC Grant. It is to mention that amount mentioned in Form F 2 for FY 2024-25 is Rs 19.41 Lakhs which is related to Deferred Income on MP SLDC REMC Grant.*

*It is to submit that SLDC has not considered Rs 37.14 Lakhs Deferred Income on PSDF as SLDC has not claimed Depreciation on Asset created through PSDF Fund. It is to submit that as per accounting procedure, Deferred Income has been shown in credit side of Profit & Loss account and Depreciation charged on assets created through Grant has been debited to Profit & Loss account so that there is no impact in Profit & Loss statement of the company. Regarding REMC grant which is being received for revenue expenditure (i.e AMC charges of REMC SCADA system) by Power Grid has been claimed by SLDC.*

**(xiii) Issue:**

After table under para 11, SLDC has mentioned that “*Net amount to be recovered & adjusted in ARR of FY 2024-25 works out to Rs (128.77 – 172.65) i.e. Rs (-) 60.00 Lakhs*”. This statement does not tally with corresponding tables where the amounts are calculated as Rs 113.93 Lakhs & Rs 173.93 Lakhs and so the net amount works out to (-) Rs 60 Lakhs. SLDC was asked to review the true-up amount claimed by it and submit a reconciled statement.

**SLDC’s Reply:**

*It is submitted that due typographical error, after table under para 11, amount of Rs (128.77 -172.65) i.e Rs (-) 60.00 Lakhs mentioned instead of Rs (113.93- 173.93) i.e Rs (-) 60.00 Lakhs. It is submitted that True-up amount of Rs (-) 60.00 Lakhs is claimed in petition is correct and it is also mentioned in Form F-1 at Page No. 34 in the Petition. It is requested to The commission may kindly consider true-up for FY 2022-23 of Rs (-) 60.00 Lakhs and after table at page no. 15 under para 11 under heading True-up of FY 2022-23 accounts with FY 22-23 order of the petition may read as follow:-*

*“Net amount to be recovered & adjusted in ARR of FY 2024-25 works out to Rs (113.93–173.93 ) i.e. Rs -60.00 Lakhs.”*

**(xiv) Issue:**

SLDC has submitted its balance sheet and audited accounts for FY 2022-23 along with the petition and has submitted information for true-up of its ARR for FY 2022-23. However Independent Auditor’s Report & Auditor’s Notes on Financial Statements were not found enclosed. These documents were sought. Further steps taken by SLDC to recover the Short term receivables from MPPTCL of Rs 1451.40 Lakhs were also sought.

**SLDC’s Reply:**

*The separate financial statement of SLDC has been prepared on the basis of Audited accounts of MPPTCL, so independent Auditors’ Report & Auditor’s Notes on Financial Statements have not been available as SLDC is not a separate company. Further, it is to mention that Short Term Receivable is showing Rs 1451.40 Lakhs which is mainly comprises of SLDC Capex Fund amount of Rs 974.10 lakhs and other balance is due to inter unit transaction between RAO SLDC and Head office. SLDC is pursuing to finance section to transfer the balance capex fund amount to SLDC Capex Fund Bank Account.*

8. The Commission vide letter dated 14/12/2023 directed SLDC to upload public notice, petition along with all Annexure and documents prominently on the SLDC’s website and to publish it in leading Hindi & English newspapers within three days. SLDC was further directed to submit its response on the comments / objections / suggestions received from the public / person(s) to the Commission by 24/01/2024. In response, SLDC vide its letter dated 19/12/2023 submitted that the approved public notice has been published in Dainik Bhaksar - Bhopal, Patrika - Jabalpur and Times of India - Indore on 16.12.2023. The public notice and petition have been uploaded on SLDC’s website. SLDC has not received any comments / suggestion from public/ respondents. SLDC vide its letter dated 29/01/2024 again submitted that no comments / objections / suggestions received from the public and respondents till date.

9. Public hearing in the matter was held on **06/02/2024** through Video Conferencing. The representatives of SLDC appeared during the public hearing. No stakeholder submitted any comments / objections. None of the stake holders was present during public hearing. The Commission heard the petitioner and the case was reserved for Order

### **Fee and Charges for FY 2024-25**

#### **Capital Cost**

10. **Petitioner's submissions:**

*(A) The Commission has approved capital expenditure plan of SLDC for the period FY 2021-22 to FY 2025-26 vide order dated 06.12.2021 along with SLDC fee and Charges for FY 2021-22. The present status of various capex works is enclosed. The details of Capex Fund as on 31st March 2023 is given below:-*

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

*Amount in Rs. Lakhs*

<i>Financial Year</i>	<i>Operation &amp; Scheduling Charges.</i>	<i>50% of O&amp;S treated as Income</i>	<i>Year Wise Capex Fund (2-3)=4</i>
<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
2016-17	407.94	203.97	203.97
2017-18	508.83	254.42	254.42
2018-19	572.79	286.40	286.39
2019-20	644.19	322.10	322.10
2020-21	611.89	305.95	305.95
2021-22	680.03	340.02	340.01
2022-23	238.43	119.22	119.22
<b>Total (A) As on 31.03.2023</b>	<b>5695.78</b>	<b>2847.89</b>	<b>2847.88</b>

## (B) The Details of Actual Capital Expenditure for the FY 2006-07 to 2022-23:

<b>(Amount in Rs. Lakhs)</b>				
<b>Financial Year</b>	<b>Category of Expenditure (A/C Code)</b>			<b>Year wise Total</b>
	<b>Fixed Assets (10)</b>	<b>Capital works in progress (14)</b>	<b>Capital Advance</b>	
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
2016-17	14.79	70.81	0	85.6
2017-18	16.02	168.18	0	184.2
2018-19	319.72	-127.09	0	192.63
2019-20	-30.56	21.3	0	-9.26
2020-21	27.34	-6.04	0	21.30
2021-22	249.65	-182.51	0	67.14
2022-23	8.49	0	0	8.49
<b>Total (B)</b>	<b>814.71</b>	<b>0.01</b>	<b>0</b>	<b>814.72</b>
<i>Less:- Fund through PSDF</i>				247.56
<i>Less:- Fund through MPPTCL Fund</i>				5.29
<i>Fund Utilized through Capex Fund ( C )</i>				<b>561.87</b>
<i>Net Capex Fund As on 31.03.2023 (A-C)=(D)</i>				2286.01
<i>Add:- Interest on Capex Fund</i>				56.97
<b>Capex Fund As on 31<sup>st</sup> March 2023</b>				<b>2342.98</b>
<i>Less:- Already Transfer on dated 19.08.2021 (E)</i>				1311.91
<i>Less:- Net Interest credited on Capex Fund</i>				51.27
<i>Less:- TDS on Interest on Capex Fund</i>				5.70
<i>Net Fund to be transfer (D-E)=(F)</i>				974.10

It is submitted that MPPTCL has already released Rs. 1311.91 Lakhs in to SLDC Capex Bank Account on dated 19.08.2021 (up to FY 2018-19) and Interest earned on Capex Fund Bank account is Rs. 56.97 Lakhs. Now, SLDC has computed Capex fund as on 31<sup>st</sup> March 2023 and as per SLDC records Capex fund is Rs. 2342.98 Lakhs. SLDC is also perusing the Finance Section of MPPTCL to transfer the balance amount of Rs. 974.10 Lakhs in SLDC Capex A/c.

7.8A Status of Project for “Replacement/upgradation of SCADA/EMS at SLDC Jabalpur, Backup SLDC Bhopal & Sub SLDC Indore: -

SLDC has filed the Petition for approval of project for “Replacement /upgradation of SCADA/EMS at SLDC Jabalpur, backup SLDC Bhopal & Sub SLDC Indore before Madhya

*Pradesh electricity Regulatory Commission vide letter dated 07-05/E&T/602 dated 11.05.2023 and the same has been registered by The Commission as petition no. 23 of 2023.*

*The Commission has granted in-principal approval for “Replacement /up gradation of SCADA/EMS at SLDC Jabalpur, backup SLDC Bhopal & Sub SLDC Indore vide order dated 29.09.2023. The Commission has directed SLDC to submit updated status of the proposed works with the petition to be filed by the SLDC for determination of fees and charges. In this regard it is to submit that, presently tender for the project is under process by Grid-India and opening of technical/commercial bid is scheduled on 11<sup>th</sup> November 2023. Accordingly, it is expected that order for the project shall be finalized in end of FY 2023-24. Accordingly, now the estimated cost of projected has been considered in FY 2024-25, FY 2025-26 & FY 2026-27.*

*7.8 B. It is here to mention that in view of delay in implementation of project “Replacement /up gradation of SCADA/EMS at SLDC Jabalpur, backup SLDC Bhopal & Sub SLDC ”, the contract for Annual Maintenance of SCADA/EMS system is extended for next two year i.e. upto November 2025 with condition that the existing firewalls whose support is withdrawn by its vendor, shall be replaced separately by SLDC. The SCADA/EMS system is Critical IT Infrastructure declared as protected system under IT act by Gazette Notification of Government of MP. In order to ensure its security, replacement of its firewall (both Main and Backup SLDC) with latest technology firewalls is utmost necessary. Accordingly, provision for procurement of firewalls with estimate cost of Rs. 47 lakhs is considered in FY 2023-24.*

### **Commission’s Analysis:**

#### **Capital expenditure for five years from FY 2022-23 to FY 2025-26:**

11. **Requirement and Availability of Fund:-**
  - i. Vide order dated 06/12/2021 in Petition No. 28/2021, the Commission has considered capex plan for five years period from FY 2022-23 to FY 2025-26 only.
  - ii. The Commission vide Order dated 29/09/2023 in Petition No. 23/2023 has granted in-principle approval to the project for “Replacement/upgradation of SCADA/EMS at SLDC Jabalpur, Backup SLDC Bhopal & Sub SLDC Indore” with some terms and conditions mentioned therein. The Commission has mentioned as under in that Order: *“The estimated cost of proposed replacement/upgradation is Rs. 70 Crore only, whereas the SLDC is maintaining amount of Rs. 105 Crore in DSM pool account and the interest earned in State RE Pool account due to flexi-fixed deposit is Rs. 21.86 Crore. SLDC is seeking some relaxations to utilise this amount. However, at this stage, SLDC has prayed for only in- principle approval to the capital expenditure and the cost is also not finalized. The Commission has not dealt with the scrutiny of the capital cost. Moreover, looking to the availability of funds as submitted by SLDC, exact funding pattern would be dealt with, after finalization of cost and cash outflow requirements needed thereafter.”*

- iii. The SLDC was directed to revise the Capex requirement table for same period of FY 2022-23 to FY 2025-26. Since the present petition includes true-up for FY 2022-23 also, so it was felt necessary to look at the actual Capex expenditure for FY 2022-23.
- iv. Accordingly, SLDC has submitted the Capex requirement table for FY 2022-23 to FY 2025-26 as given below:-

(Rs. in Lakhs)						
S. No	Particulars	2022-23	2023-24	2024-25	2025-26	Total
1	Availability of fund for Capex (Approved/Projected)	119.22	133.00	146.30	160.93	559.45
2	Previous year Balance	2193.98	2342.98	2323.15	1584.45	2193.98
3	*Interest on Capex Fund (Gross)	38.27	119.00	50.00	10.00	217.27
4	Total Capex Available (1+2+3)	2351.47	2594.98	2519.45	1755.38	2970.70
5	**Capex Requirement	8.49	271.83	935.00	2962.25	4177.57
6	Cumulative Surplus (3-4)	2342.98	2323.15	1584.45	-1206.87	-1206.87

\* Interest rate considered at @ 5.25 %

\*\* The Capital Cost of Replacement of SCADA/EMS system of SLDC, Back-Up SLDC and Sub-LDC, Indore has been considered as Rs 7000/- Lakhs. SLDC will utilize 70% of the Cost of SCADA Project from DSM Pool Fund Account.

- v. Moreover, SLDC has computed that Capex fund as on 31<sup>st</sup> March 2022 is Rs 2193.98 Lakhs. SLDC has submitted that MPPTCL has released Rs 1311.91 Lakhs into SLDC Capex Bank Account on 19.08.2021. SLDC has submitted that it is pursuing the Finance Section of MPPTCL to transfer the balance amount in SLDC Capex A/c.
12. As per Regulation 10.3 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulation 2004, Revision-1, 2006 (RG-16 of 2006), 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. SLDC & MPPTCL should comply with the provisions of Regulation 10.3 of the MPERC (Levy and Collection of Fee & Charges by SLDC) Regulations (Revision-I), 2006.
13. The Commission observed that Capex. Plan for FY 2024-25 has already been approved as part of the aforesaid 5 year Capex Plan and SLDC's project for SCADA / EMS has also been granted in-principle approval. As such, SLDC has sufficient resources to carry out the Capex works. SLDC must fulfill terms and conditions mentioned in those Orders.

**Levy of SLDC Charges:**

14. 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:
- a. O&M expenses comprising Employee Cost, Administration and General Expenses and Repairs and Maintenance expenses,
  - b. Depreciation on assets,
  - c. Interest and finance charges, where loans are identified against capital expenditure
  - d. Interest on working capital, if any,
  - e. Return on equity contributions identified for capital expenditure
  - f. Taxes and duties, and
  - g. Capital cost

**Operation and Maintenance Expenses:****Provisions under Regulations:**

15. Clause 9.8 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulations, 2004, (Revision-1, 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:****16. Petitioner's submission:**

In the subject petition, SLDC has submitted as under:

*The employee cost for FY 2024-25 has been worked out for the working strength at SLDC & Sub-LDCs as on 30.09.2023 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 carried out continuously. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs and various workshop, training etc. has been made during FY 2024-25.*

*Further, it is submitted that during the FY 2024-25, 6 no. of officer/employee shall be retired from services. Accordingly, expenditure related to Leave encashment on retirement has been work out and considered in employee cost. It is expected that amount of Rs. 109.50 lakhs shall be required to pay on account of Leave encashment.*

*The total employee cost works out to Rs. 1459.76 Lakhs (Form-F4). The provisions for vacant posts, terminal benefit on retirement (pension and gratuity 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.*

**Details of Employee Cost and Provisions in Form F4 is as under:**

- (a) *The employee cost for FY 23-24 has been worked out for the working strength at SLDC & Sub-LDCs as on 30-09-2023. No provision is made for vacant posts of SLDC and Sub LDCs. The projection has been made on the basis of actual basic pay & Grade pay drawn by officer & employee for the month of September-2023 plus considering One increment w.e.f July-24 and applicable allowance thereon.*

- (b) *Other main assumptions made for employee expenses are as follows:*
- (i) *It is submitted that salary projection of retired employee has been considered up to date of their retirement. The provision for vacant posts is not considered, necessary adjustment for the same shall be made at a later date, if the vacant post are filled up during Ensuing Year.*
  - (ii) *At present, State Govt. has paid the DA @ 42% and Central Government are paying DA @ 46% from w.e.f. July-2023. hence, SLDC has considered increase in DA in FY 2024-25, @ 50% for first three months, @ 53% for Six months and @ 57% for three months. It is requested to The Commission that actual DA may be considered in true-up.*
  - (iii) *Medical reimbursement for Ensuing Year has been considered @500/- pm per employee.*
  - (iv) *Company Contribution for National Pension Scheme (NPS) @ 14% of Basic plus Grade pay plus DA is being contributed by the company for officers/employees who have been appointed in Company Cadre. Accordingly, NPS provision is made in Employee Cost Projection for ensuing year,*
  - (v) *The company contribution @ 16.25% (towards Provident Fund 13% (Including the Administrative charges) and Employer contribution towards ESIC on salary of contract employee is also considered in employee cost for ensuing year 2024-25.*
  - (vi) *The projection towards training expenses have been made considering training requirements for SCADA/EMS, Wide Area Management PMU's based, Unified real time Dynamic measurement system (URTDMS), Renewable Energy Management Centre (REMC), Security Constraint Economic Dispatch (SECD), Wide Band Communication Systems, IT & Computer systems, Cyber Security and Information Security Management System (ISMS), RE forecasting, AGC, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) etc. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs has also been made during FY 2024-25.*
  - (vii) *The provision towards Ex-Gratia/bonus for ARR for Ay 2024-25 is not considered, however, it is requested that The commission may kindly consider, if it was asked to be paid by SLDC in True- up process for FY 2024-25. The Commission in the order for SLDC fee & charges for the previous years has not allowed provisions for Ex-Gratia/bonus, no such provisions are made in ARR for FY 24-25.*
  - (viii) *The provision towards leave encashment at retirement has been considered for 6 no. officer/employee who are retiring during the FY 2024-25.*
  - (ix) *Terminal benefits have not been considered in the ARR as per directives of MPERC in the order for SLDC Fee & charges petition for the FY 2006-07.*

#### **Commission's Analysis:**

17. Vide Commission's letter No. 2822 dated 14/12/2023, observations including those related to Employee expenses were conveyed. SLDC vide its letter No. 29 dated 08/01/2024 submitted its reply. These have been detailed in previous part of this Order and are not repeated for brevity. Considering the above, the employee related expenses of **Rs 1459.76 Lakhs** is considered for FY 2024-25 in this Order. Actual expenses as per the relevant orders issued by Government of MP from time to time, shall be considered in True-up.



## Administration and General Expenses:

### 18. Petitioner's Submission:

*The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2024-25 works out to Rs. 298.98 lakhs (Form-F5). The above A&G projection comprises of Electricity Charges, Communication charges, consultancy charges, travelling expenses, Security service charges, Vehicle hire charges, books & stationery, MPERC fee, advertisement expenses, legal charges, corporation tax of SLDC Building at Bhopal, outsourcing expenses and miscellaneous expenses as contingency.*

*The A&G expenses for the Ensuing Year have been worked out considering the following:-*

- (i) **Rates & Taxes:-** *At present Sub-LDC Bhopal (Back-up SLDC has paid municipal Tax. Accordingly, projection towards expenditure for municipal tax is considered for FY 2024-25.*
- (ii) **Insurance:** *A lump sum provision of Rs. 0.22 Lakhs has been made towards insurance charges during ensuing year.*
- (iii) **Telephone Expenses & Communication Facility:** *The communication facilities provided through common pool services are not considered. However, the expenses towards additional communication facility whose payment is made directly from SLDC/Sub LDC officers are included. The expenditure towards DDOS Connection on Leased Line Internet Connection at SLDC, Jabalpur and Back-up SLDC Bhopal has also been considered under the Head Telephone Expenses & Communication Facility.*
- (iv) **Consultancy Charges:** *The projections towards consultancy charges have been kept for obtaining consultancy services regarding Information Security Management System (ISMS) deployment of Honey pots/preparation of Fire plan, energy Audit & preparation of scheme for upcoming projects like Wide Area Management System (WAMS)/Wide band Communication system/ Renewable Energy Management System/SECD/AGC related works, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) and for building renovation & modernization activity.*
- (v) **Travel expenses:** *The SLDC official are required to travel for various meeting like OCCM (WRPC & State), RPC, Protection Committee, for hearing MPERC, CERC, Appellate Tribunal & Court cases. The traveling is also required for works related with implementation of various project and attending faults in systems & equipments. The projections towards travel expenses has been taken considering increased travel due to implementation of various new projects like Master telecom project, replacement of SCADA/EMS, URTDSM project/REMC project, SCED, AGC, deployment of Honey Pots, cyber security related works, works related with integration of AMR into SCADA, mock drill of SCADA and other systems and for various levels of system operation trainings.*
- (vi) **Hiring of Vehicle:** *Presently 5 number vehicle are hired for SLDC i.e. one for Chief Engineer (SLDC), One for Advisor, one for SE(LD:E&T) and one each for Backup SLDC, Bhopal & Sub-LDC Indore. Accordingly, the projection towards hiring of Five number vehicle is considered for FY 2024-25.*
- (vii) **Security / Service Charges:** *SLDC has already been provided with two armed security guards round the clock deployed through outsourcing. Similarly, one Unarmed security guard round the clock is deployed at Backup SLDC/ Sub-LDC Bhopal. The projection towards security charges for ensuing year has been considered on the basis of prevailing wages for skilled workers for SLDC and unskilled workers for Backup-SLDC/Sub-LDCs.*

- (viii) **MPERC Annual fee WRPC Fee:** - The projection for the FY 2024-25 is taken Rs 2.00 lakhs. The projection is taken mainly the amount towards MPERC Fee and incidental charges if required to pay WRPC charges.
- (ix) **Stationery Expenses:** The stationery expenses has been worked out considering the future increase in requirements due to Generation of various reports, increased responsibilities of Capital works, ABT/OA, EA, regulatory & legal issues etc.
- (ix) **Electricity Expenses:** - The projection towards Electricity expense for SLDC and Back-up SLDC of Rs. 87.02 lakhs has been considered in FY 2024-25. However, the projection of electricity expenditure of Sub-LDC, Indore are not considered as the same is not adjusted with SLDC fee and Charges. It is requested that The commission may kindly approve electricity charges for Sub-LDC Indore during the true-up process for FY 2024-25, if it is booked under the head of electricity expenses. Hence at present electricity charges of SLDC Building of Jabalpur and Back-up SLDC, Bhopal has been works out and considered in Form F5.
- (x) **Work Outsource Expenses & House Keeping Charges:-** Presently, SLDC has taken services of Sixteen no of computer operators (6 in highly Skill and 8 in skill category and 2 in Semi skill category out of highly skill computer operators 4 operators are working in shift) through Man Power supplier Contract also SLDC has also considered projection of 2 no. Computer Operator against retired employee. From next year, the proposal for outsourcing of control Room Data entry and DPR preparation work is under consideration for which 4 no. additional outsourced highly skilled computer operator shall be required. Accordingly, the projection towards outsource of 22 computer operators of Rs. 51.85 Lakhs for the FY 2024-25 is considered in A&G expenses. Further, the projection towards House keeping charges for 13 no. of unskilled workers has also been considered for SLDC (8 No.), Bhopal (3 No.) and Indore (2 No.) on the basis of prevailing wages for unskilled workers for SLDC, Jabalpur, Backup-SLDC, Bhopal and Sub-LDC Indore. Accordingly, the projection towards housekeeping charges of Rs. 24.73 Lakhs for the FY 2024-25 is considered in A&G expenses.
- (xi) **Entertainment expenses:** The entertainment expenses have been worked out considering the requirements due to increased responsibilities of SLDC.
- (xii) **Legal Expenses:** The legal expenses have been worked out considering various legal issues and regulatory matters.

### **Commission's Analysis:**

19. Vide Commission's letter dated 14/12/2023, the issue related to A & G expenses like increase in expenses on hiring of vehicles, work out sourcing expenses, etc were sought. The SLDC submitted its issue wise response vide its letter dated 08/01/2024. These have been detailed in previous part of this Order and are not repeated here for brevity.
20. Considering the reply filed by SLDC, Administration and General expenses of **Rs 298.98 Lakhs** as claimed is considered for FY 2024-25. The actual expenses subject to prudence checks shall be considered during True-up exercise as per the provisions of the Regulations.

**Repair and Maintenance Charges:****21. Petitioner's Submission:**

*The Repair and maintenance expenses for the year 2024-25 are estimated to Rs. 308.97 Lakhs (Form-F6). This includes maintenance charges of SCADA/EMS & Wideband Communication system, Unified real Time Dynamic Measurement System (URTDSM) system, CCTV BASED Surveillance system, Hot line exchange, Voice logger system, AMC charges for ABT OA & MIS System, Maintenance costs of Auxiliary Power Supply system (UPS, DG Set), maintenance of system support services, maintenance of AC Plant, maintenance of office equipment, maintenance of building (including Backup SLDC at Bhopal & Sub-LDC Indore), Video Conferencing System, Video Projection System, Cyber Security system, PSS/E Software Maintenance & Support Work, maintenance of Renewable Energy Management System, Access Control System, Fire Alarm system and Fire extinguisher, etc. The R&M estimate also comprises of cost towards forecasting services under REMC system which is so far covered under the grant provided for REMC project from Government of India through PGCIL. Further as approved by WRPC & NPC, the integration of Interface Energy Meters (IEM) into SCADA/EMS system is to be arranged for minimizing difference of deviation between SCADA values and Energy Accounting. As per WRPC decision, MP has to bear the cost of integration in PGCIL Sub stations also. Accordingly, estimated cost towards Integration of Special Energy Meters (SEM) in to SCADA/EMS system at Powergrid Substations of Rs 30.00 Lakhs each in FY 2024-25 & FY 2025-26 is considered in R&M cost. The provision for civil maintenance works mainly comprise of General Internal Civil Maintenance Work such as per repairing of Doors, Windows, Floor etc day to day maintenance work., External Painting and Repairing Work, General Civil Maintenance work of Water supply sanitation I/C renovation of sanitation system of SLDC Building, Civil Maintenance Work of Newly Allotted Premises and transportation of scrap & Concertina coil fixing to Compound wall, etc.*

**Commission's Analysis:**

22. Vide Commission's letter No. 2822 dated 14/12/2023, issues related to R&M expenses like projected expense on plant & machinery, civil works, lines and cable networks, etc were sought. SLDC's detailed responses have been covered in previous part of this Order and are not repeated for brevity.
23. The Commission examined the submission made by SLDC and considered the R&M expenditure of **Rs. 308.97 Lakhs** for FY 2024-25 in this order, subject to true-up, as per the Regulations.

**Return on Equity and Depreciation:****Petitioner's Submission:**

24. 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 Rs. 219.54 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 Rs. 89.19 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to Rs. 29.78 Lakhs. However, in line with the orders passed by The 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 2024-25.*

**Commission's Analysis:**

25. The Commission has 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 12<sup>th</sup> June, 2008. The petitioner's submission is considered and no amount under the heads of depreciation and Return on Equity is approved in this Order.

**Interest and Finance charges and Interest on Working Capital:****26. Petitioner's Submission:****i. Interest and Finance Charges:**

*The interest and finance charges comprise of only one component i.e. Interest on Working Capital. The working capital has been computed considering the expenses for Employee cost, A&G, and R&M. The monthly working capital comes out to Rs. 172.31 Lakhs.*

**ii. Interest on Working Capital:**

*As per third amendment in Regulations notified on 19<sup>th</sup> 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 1<sup>st</sup> April of the year plus 4%. Accordingly, the rate of IWC has been taken as 14.10 % (Base Rate 10.10% wef 1<sup>st</sup> April 2023). However, interest on working capital is not considered in instant petition and the same will be claimed in true-up, if required.*

**27. Commission's Analysis:**

- i. The petitioner has not filed any Interest and finance charges on loan for capital works. Therefore, the Commission has not considered any amount for interest and finance charges.
- ii. The Petitioner has submitted that working capital requirement is calculated as Rs. 172.31 Lakhs. On scrutiny of the petition, the Commission has observed that the petitioner has not taken working capital loan from any agency and consequently has not incurred any expenditure on working capital. Therefore, as submitted by SLDC, the Commission has not considered interest on working capital for FY 2024-25 in this order.

**Others - Payment of Statutory Taxes, Duties, etc.:****28. Petitioner's submission****Payment of Statutory Taxes, Duties etc:**

*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 of the Open Access Customers have paid Application Processing Fee & Scheduling & Operating charges after deducting TDS. However, SLDC has considered gross amount (without deducting TDS) in true-up, hence the amount of TDS is not claimed by SLDC.*

**Commission's Analysis**

29. The Commission considers the petitioner's submission in this matter and the claim of SLDC, if any shall be dealt with appropriately in terms of MPERC (Levy and Collection of Fee and charges by State load Despatch Centre) Regulations, 2004, (Revision - 1, 2006) as and when these are actually incurred and claimed in the true-up petition.

**Income from Other Sources:****30. Petitioner's Submission:**

*Earning of Rs. 257.40 Lakhs has been projected as income from Scheduling & Operation Charges (50% of the total receipt), Connectivity Charges and Application processing fee from Short Term Open Access Customers (STOAC) on the basis of income received in current year & Application processed during current year.*

**Other Income:-** *A provision for FY 24-25 for Rs. 24.41 lakhs has been considered in Form F2. The projection towards differed income on MP SLDC REMC of Rs 19.41 Lakhs has been considered as the grant has been received from Powergrid towards payment of AMC expenses on REMC SCADA. The AMC charges has been included in Repairs and Maintenance Expenses in Form F-6. Total AMC charges of REMC SCADA of Rs 56.22 Lakhs, grant of Rs 19.41 Lakhs shall be received. The Differed grant on PSDF has not been considered as SLDC has not claimed depreciation of Assets created through PSDF grant. The interest on SLDC Capex Fund is also not considered in other income as the interest on SLDC Capex Fund has been accumulated in SLDC Capex Fund. The Lum sum provision of Rs 5.00 Lakhs has been considered towards recoveries of transport facility, Rental for Staff quarter/water charges, recovery for telephone charges & Misc income.*

**Commission's Analysis:**

31. i. The Other Income mainly comprises revenue from other Fee & Charges, Scheduling & Operation charges, Connectivity charges & application processing fee etc. The petitioner estimated following other income for FY 2024-25:

(Amount Rs. Lakhs)

S. No.	Particulars	FY 2024-25
1	Scheduling & Operation Charges (50% as income)	146.30
2	Connectivity Charges	11.10
3	Application processing fee for STOAC	100.00
4	Other Income	24.41
	<b>Total</b>	<b>281.81</b>

- ii. Vide Commission's letter dated 14/12/2023, issues related to STOAC fee, other income, etc were conveyed. SLDC submitted point wise reply which has been detailed in previous part of this Order.
32. In view of the above, the Commission has considered **Rs. 281.81 Lakhs** as SLDC's other income (as claimed by petitioner) for FY 2024-25 in this order. Actual other income shall be considered while taking true up exercise for FY 2024-25.

**True-up of SLDC Tariff Order for FY 2022-23 based on Financial Statements:****33. Petitioner's Submission:****ACTUAL EXPENSES & TRUE UP FOR FY 2022-23:**

The expenses towards Employee cost, A&G and R&M for FY 2022-23, shown in forms of the petition for FY 24-25, are on the basis of Financial Statements of SLDC for the FY 22-23. 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 22-23 and the figures shown in formats of the petition, is due to following reasons.

(Amount in Rs. Lakhs)

Particulars	Financial statement Ref.		Petition Ref.		Difference	Remark
	Note	Amount	Form No	Amount		
Employee Cost	17	1349.42	F4	1353.17	-3.75	Explanation 1
A & G Expenses	20	213.67	F5	212.19	1.48	Explanation 2
SLDC charges	15	1653.18	F1	1258.31	394.87	Explanation 3
Other Income	16	130.30	F2	130.76	-0.46	Explanation 4

- 1) The employee cost of Rs. 1353.17 Lakhs mentioned in Form F4 comprises of actual employee cost of Rs. 1349.42 Lakhs and training expenses of Rs. 3.74 Lakhs. Further, the training expense Rs. 3.74 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 20 of financial statement. Therefore, actual Employee Cost of Rs. 1353.17 Lakhs as mentioned in Form F4 is claimed for true up.
- 2) The A & G expenses of Rs. 213.67 Lakh mentioned in Note 20 of Financial statement are exclusive of Discount to Customers for Timely payment of SLDC Bill of Rs 2.25 Lakhs as theses expenses been shown in Note 15 of Financial Statement and the same has been considered in Form F5 of the petition under the Head B (Other Charges)(viii) of the petition and the Training expenses of Rs 3.74 lakhs has been considered in Note 20 of Financial Statement, however the same has been considered in Form F4 of the petition . Therefore, A&G expenses of Rs. 212.19 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 Rs. 1258.31 Lakhs shown in Form F1 includes Rs. 119.22 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 Rs. 238.43 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (Rs. 119.22 Lakhs) and 50% amount retained for capex (Rs. 119.22 Lakhs). The amount of Rs. 1653.18 Lakhs shown in Note 15 of financial statement include Rs. 238.43 Lakhs towards revenue from total Scheduling & Operating Charges. Further, In Note 15 of Financial Statement, Discount to Customers for Timely payment of SLDC Bill of Rs 2.25 Lakhs is also decrease from Total Revenue. Further, True Up Income of Rs 277.45 Lakhs has been shown in F1. Further, the delay payment charges of Rs. 0.46 has also shown in Note 15 of financial statement whereas the same has been shown in Form F2 of the petition. Hence, Net Increase in Note 15 of Financial Statement is works out Rs 394.87Lakhs (Rs. 119.22 Lakhs plus Rs. 0.46 Lakhs Plus Rs. 277.45 Lakhs Less Rs. 2.25 Lakhs). Therefore, the amount of Rs. 1258.31 Lakhs as shown in Form F1, is actual earning for FY 22-23 claimed for true up.*

- 4) *The difference of Rs. 0.46 Lakhs in Form F2 and Note 16 of Financial Statement is due to delay payment charges received of Rs. 0.46 Lakhs has been shown in Note 15 of Financial Statement whereas the same has been shown in Form F2 of the Petition. In view of above, expenses approved in ARR of FY 2022-23 vis -a -vis Actual expenses as per financial statement of FY 2022-23 are summarized below for Reconciliation / True-up in the ARR for FY 23-24.*

**True up of FY 22-23 accounts with FY 22-23 Order:**

**Expenses:**

( Amount in Lakhs of Rs.)

<i>Particular</i>	<i>Expenses as allowed in ARR for FY 2022-23</i>	<i>Actual Expenses for FY 2022-23</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>Employee Costs</i>	<i>1349.55</i>	<i>1353.17</i>	<i>-3.62</i>
<i>Administration &amp; General Expenses</i>	<i>238.26</i>	<i>212.19</i>	<i>26.07</i>
<i>Repairs &amp; Maintenance Expenses</i>	<i>231.29</i>	<i>139.81</i>	<i>91.48</i>
<b><i>Total</i></b>	<b><i>1819.10</i></b>	<b><i>1705.17</i></b>	<b><i>113.93</i></b>

**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 2022-23 was Rs. 443.00 Lakhs, the actual income works out to Rs. 269.07 Lakhs as given below:

( Amount in Lakhs of Rs.)

<i>Particular</i>	<i>Income as allowed in ARR for FY 2022-23</i>	<i>Actual income for FY 2022-23</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>50% of Scheduling &amp; Operating Charges.</i>	350.00	119.22	230.78
<i>Connectivity Charges</i>	18.00	10.05	7.95
<i>Application Charges</i>	70.00	84.45	-14.45
<i>Sub Total</i>	438.00	213.72	224.28
<i>Other miscellaneous receipts as mentioned in Form F2 (Excluding PSDF Grant (Deferred Income on PSDF Grant and Interest on SLDC Capex Fund Account) of Rs 75.41 Lakhs</i>	5.00	55.35	-50.35
<b>TOTAL</b>	443.00	269.07	173.93

Net amount to be recovered & adjusted in ARR of FY 2024-25 works out to Rs (113.93 – 173.93) i.e. Rs. -60.00 Lakhs.

Further, it is mention that in true up other income has been considered Rs. 55.35 Lakhs (excluding Deferred Income on PSDF Grant and Interest on SLDC Capex Fund Bank Account of Rs. 37.13 lakhs and Rs. 38.28 Lakhs accordingly). The Deferred Income on PSDF Grant has not considered in True Up Income as SLDC has not claimed Depreciation on Asset created through PSDF Grant and also Interest Received on Capex Fund Bank account has also not considered as this income is credited to capex Fund Account and it shall be utilized for capital expenditure. Further, the other Income has also considered Rs 53.54 lakhs towards Grant Received from Power Grid for meet out the AMC charges of REMC SCADA.



**Commission's Analysis:**

34. It was observed that SLDC submitted its balance sheet and audited accounts for FY 2022-23 along with the petition and also submitted information for true-up of its ARR for FY 2022-23. Vide Commission's letter dated 14/12/2023, the details of actual expenses for FY 2022-23 were sought. The SLDC submitted its issue wise response vide its letter dated 08/01/2024. These have been dealt with in previous part of this Order and are not repeated here for brevity.
35. The Commission has considered SLDC's submissions and allowed net amount of **Rs. 60.00 Lakhs** against true-up of FY 2022-23 to be reconciled and adjusted in ARR of FY 2024-25 in this order. This true-up amount of Rs 60.00 Lakhs is added in ARR for FY 2024-25.

**Summary of Annual Revenue Requirement:**

36. Based on all aforesaid analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2024-25 in this order:

**Summary of the ARR as approved by the Commission for FY 2024-25:**

		<b>Amount (Rs. Lakhs)</b>
<b>S. No.</b>	<b>Particulars</b>	<b>As approved by MPERC in this Order</b>
1	Employee Cost	1459.76
2	Administration and General Expenses	298.98
3	Repairs and Maintenance Expenses	308.97
4	Depreciation	0
5	Interest and Finance Charges	0
6	Interest on Working Capital	0
7	Return on equity/Investments	0
8	Taxes and Duties	0
	<b>TOTAL</b>	<b>2067.71</b>
9	Less: Income from other sources	281.81
	<b>Annual Revenue Requirement for FY 2024-25</b>	<b>1785.90</b>
	<b>Add: True-up of ARR for FY 2022-23</b>	<b>60.00</b>
	<b>Net ARR for FY 2024-25</b>	<b>1845.90</b>

**Allocation of Annual SLDC Charges:****Commission's Analysis:**

37. As per Regulation 11.2 of the MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) (Revision-1), Regulations 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. Vide order dated 19/05/2021 in petition no. 45/2020 regarding Transmission MYT for FY 2019-20 to FY 2023-24, the Commission has considered transmission capacity as 25676.01 MW for FY 2023-24. SLDC has submitted the same transmission capacity in its subject petition for FY 2024-25. Considering the same, the following allocation of annual SLDC charges is considered for FY 2024-25:

**Annual SLDC Charges for Long - Term Open Access (LTOA) Customers for FY 2024-25 is as under:**

S. N.	Particulars	Long-Term Open Access customers					WCR	Total
		East Discom	West Discom	Central Discom	SEZ Indore			
1	Total annual SLDC charges (Rs. Lakhs)							<b>1845.90</b>
2	Long-term allocation of Transmission Capacity (MW)	7518.10	8993.64	8764.27	60.00	340.00		<b>25676.01</b>
3	Annual SLDC charges payable by LTOA customers (Rs. Lakh)	540.491	646.571	630.081	4.314	24.443		1845.90
4	Annual SLDC charges payable by LTOA customers (Rs./ MW)							<b>Rs. 7189.201 per MW</b>

**Summary of Fees and Charges:**

38. The following table summarizes the fees and charges approved by the Commission for use of SLDC services for FY 2024-25:

**Applicability and levy of various SLDC fees and charges for FY 2024-25:**

S. No.	Fee/ Charge Applicable towards	Applicability to customer category on the basis of type of agreement					
		Long Term			Short Term		
		Yes/No	Frequency	Amount (Rs.)	Yes/No	Frequency	Amount (Rs.)
1	Connection fee *	Yes	One Time	<b>1,00,000</b>	Yes	Once for a month or part thereof	<b>5,000</b>
		No charges for additional short term open access					
2	Annual SLDC charges applicable to LTOA customers to whom transmission capacity has been allocated	Yes	Two Half yearly instalment	<b>Rs 7189.201 per MW</b> of allocated transmission capacity	No	--	--
3	Operation & Scheduling	No	--	--	Yes	Per transaction per day or part thereof	<b>1,000</b>
4	Revising schedule (other than RE Generators)	Yes	For each revision	<b>1,000</b>	Yes	For each revision	<b>1,000</b>

\* As per clause 8.7 of the First Amendment to MPERC (Levy & Collection of fee and charges by SLDC) Regulations, 2004 (Revision -1), 2006, all Renewable Energy Generators are required to pay one-time connection fee of Rs 5000/- (Rs. Five Thousand) only, irrespective of the type of agreement, whether long or short term.

39. The Fees and Charges determined in this order shall be effective from 1<sup>st</sup> April 2024 till 31<sup>st</sup> March 2025. SLDC shall upload the Order & petition with annexure on its website. 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. 1<sup>st</sup> April 2024 onwards and shall also provide information to the Commission in support of having complied with this order.

Ordered Accordingly.

**(P. K. Chaturvedi)**  
Member

**(Gopal Srivastava)**  
Member (Law)

**(S. P. S. Parihar)**  
Chairman

**Place: Bhopal**

**Date: 21<sup>st</sup> February 2024**