

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



**Petition No. 11/2022**

**PRESENT:**

**S. P. S. Parihar, Chairman**  
**Mukul Dhariwal, Member**  
**Gopal Srivastava, Member**

**IN THE MATTER OF:**

**Determination of ARR for SLDC Jabalpur for FY 2022-23, Levy and Collection of Fee and Charges by SLDC for FY 2022-23 and True-up of ARR for FY 2020-21.**

**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. Power Transmission Co. Ltd. Jabalpur**
- 6. M.P. Power Generating Co. Ltd. Jabalpur**
- 7. M.P. Industrial Development Corporation Ltd. Indore**
- 8. West Central Railways, Jabalpur**
- 9. Satpura Transco Pvt Ltd, Mumbai**
- 10. Narmada Hydro-Electric Development Corp. Bhopal**
- 11. Narmada Valley Development Authority, Bhopal**
- 12. BLA Power Private Ltd., Mumbai**
- 13. Jaiprakash Power Ventures Ltd. Noida**

**- Respondents**

**ORDER**  
**(Passed on this day of 25<sup>th</sup> July' 2022)**

1. This order relates to petition No. 11 of 2022 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as "SLDC") for "Levy & Collection of Fee & Charges by SLDC for FY 2022-23" before Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as "the Commission").
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 is required to file a petition for Fee and Charges to be levied and collected by it, by 31<sup>st</sup> October every year in accordance to the aforesaid Regulations. Vide letter no. 07-05/E&T/645-XIX/2000 dated 28.10.2021, SLDC broadly submitted as under:  
*"Due to Covid-19 pandemic & lockdown, final account of MPPTCL is getting delayed so that financial data of SLDC for FY 2020-21 is not available. In the absence of financial data the preparation of petition is getting delayed. It is therefore, requested that Hon'ble Commission may kindly grant extension for submission of petition for levy and collection of fee and charges by SLDC Jabalpur for FY 2022-23 till 31/12/2021"*.  
 Vide letter no. 1979 dated 16/12/2021, the Commission considered the reasons mentioned in the SLDC's aforesaid letter and SLDC was allowed to file the subject petition for levy and collection of fee and charges by SLDC for FY 2022-23, latest by 31<sup>st</sup> December, 2021.  
 Subsequently, vide letter no. 685 dated 27/12/2021, SLDC submitted that audited financial statements of SLDC for FY 2020-21 were not received from the finance section of MPPTCL. In the absence of financial data, it is not possible for SLDC to submit the petition before 31/12/2021. SLDC requested for grant of extension of time for submission of this petition by 15<sup>th</sup> January, 2022.

5. SLDC, by letter no. 07-05/E&T/645/XIX/71 dated 10<sup>th</sup> January' 2022, filed the subject petition for levy & collection of Fee and Charges by SLDC for FY 2022-23. Subsequently, vide letter no. 376 dated 22/02/2022, SLDC submitted that after submission of the petition, there is some change in estimated Capex expenditure on account of important modifications in ABT, OA and MIS i.e. energy accounting and scheduling software.
6. Accordingly, vide letter no. 516 dated 8/03/2022, SLDC filed an **amended petition** for levy and collection of fee and charges by SLDC for FY 2022-23 incorporating the additional capital works related to integration of NOAR and ABT, OA and MIS system of SLDC in the approved Capex plan for the period. In the amended petition SLDC has broadly submitted as under:
- A. SLDC has claimed the following **ARR for FY 2022-23** in the petition:

S. No.	Particulars	Amount (Rs. Lakhs)
1	Employee Cost	1349.55
2	Administration and General Charges	238.26
3	Repairs and Maintenance Expenses	231.29
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>1819.10</b>
8	Less: Revenue from other Charges (i.e Scheduling & Operation charges (50%), Connectivity charges & Application Processing Fee	438.00
9	Less: Other Income	5.00
<b>Net Revenue Requirement for FY 2021-22</b>		<b>1376.10</b>

- B. Further, SLDC has also filed **True-up of ARR for FY 2020-21** on the basis of Financial Statements of SLDC for the FY 2020-21 as under:

**Expenses :**

(Rs. Lakhs)

Particular	Expenses as allowed in ARR for FY 2020-21	Actual Expenses for FY 2020-21	Differences (Allowed-Actual) to be reconciled
Employee Costs	1527.79	1344.39	183.40
Administration & general Expenses	217.23	176.43	40.80

Repairs & Maintenance Expenses	200.89	104.47	96.42
Interest & Finance Charges	0.00	0.01	-0.01
Total	1945.91	1625.30	320.61

**Income from other Fee & Charges:****(Rs. Lakhs)**

Particular	Income as allowed in ARR for FY 2020-21	Actual income for FY 2020-21	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	300.00	305.95	-5.95
Connectivity Charges	12.00	16.25	-4.25
Application Charges	70.00	62.50	7.5
Sub Total	382.00	384.70	-2.7
Other miscellaneous receipts as mentioned in Form F2	5.00	13.20	-8.20
<b>TOTAL</b>	387.00	397.90	-10.90

Net amount for True-up of ARR for FY 2020-21, to be reconciled & adjusted in ARR of FY 2022-23 works out to (320.61- (-10.90) ) i.e. **Rs. 331.51 Lakhs.**

7. The petitioner prayed the following in the subject petition:
- i. *Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2022-23 as Rs. 1376.10 Lakhs towards ARR along with True up for FY 2020-21.*
  - ii. *Issue suitable order for distribution of the Fee and Charges among the licensees using the intra-state transmission system as specified by the state commission.*
  - iii. *Condone any inadvertent omissions/ errors/ short comings and permit SLDC to add / change/ modify /alter this petition and make further submissions as may be required at later stage.*
  - iv. *Pass any other relief which Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case.*

8. Motion hearing in the matter was held on the 29<sup>th</sup> March, 2022. Having heard the petitioner, the petition was admitted. Vide daily order dated 30<sup>th</sup> March, 2022, 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 and serve a copy of their aforesaid reply to the petitioner simultaneously. The information gaps and the additional details / documents required for processing the petition was communicated to the petitioner separately.
9. Meanwhile, SLDC by its letter 263 dated 02/05/2022, SLDC broadly submitted as under;  
*"Hon'ble Commission may kindly allow SLDC to Collect SLDC Fee and & Charges for FY 2022-23 from Long Term Customers, provisionally as per charges approved for the FY 2021-22 on dated 06.12.2021. Adjustment shall be done in accordance with charges approved by the Hon'ble Commission for the FY 2022-23. Further, it is requested to allow SLDC to collect Connection fee, Operation & Scheduling Charges, Revision charges from Long Term Customers/Short Term Customers for FY 2022-23 as per Fee and Charges approved for FY 2021-22 vide order dated 06.12.2021 at para 61 till issue of order for SLDC Fee and Charges for the FY 2022-23".*

Vide Commission's Order dated 12<sup>th</sup> May' 2022, the SLDC was allowed to continue to collect the same fee and charges as determined vide Commission's order dated 06/12/2021 in P. No. 28/2021 for FY 2021-22, on provisional basis subject to retrospective adjustment of the same after determination of fee and charges to be collected by SLDC during FY 2022-23. Carrying cost on differences in charges shall be applicable as per the Regulations.

10. Vide Commission's letter No. 852 dated 20/04/2022, the petitioner was asked to submit reply to the issues mentioned in the subject letter within a fortnight along with a draft of the public notice on the gist of the petition in Hindi and English version. Vide its letter No. 1020 dated 09/05/2022, SLDC sought one week more time for submission of its aforesaid reply, due to unavoidable circumstances, engagements of concerned officers in MP Government Manthan and time required for collection & compilation of information.
11. By letter no. 1024 dated 10/05/2022, SLDC submitted reply to the issues raised vide Commission's letter No. 852 dated 20/04/2022. The response of SLDC to each issue is as given below:

**(i) Issue:**

At para 30(ii) of the Order dated 06.12.2021, in principle approval to the capital expenditure plan was granted with certain terms and conditions. The petitioner

was asked to submit its point wise response on compliance of the aforesaid terms and conditions.

**SLDC's Reply:**

*The point wise compliance to the terms & condition mentioned in para 30(ii) of Hon'ble 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 also submitted that SLDC has opened current bank account in name of SLDC-CAPEX with FFD facility at Union Bank of India, Shakti Bhawan Branch, Jabalpur. It is submitted that SLDC has computed Capex Fund as on 31<sup>st</sup> March 2021 and as per SLDC records Capex Fund is Rs. 1902.41 Lakhs. Out of Rs. 1902.41 Lakhs, Rs. 1311.91 Lakhs has already been transferred in to SLDC Capex A/c by MPPTCL. SLDC is also perusing the Finance Section of MPPTCL to transfer the balance amount of Rs. 590.50 Lakhs in SLDC Capex A/c. The details of Capex Fund as on 31<sup>st</sup> March 2021 is given in page no. 8 & 9 of the petition. The Interest accrued on Capex Fund Bank has been provided after finalization of SLDC Account for FY 2021-22.*
- (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 as Annexure- I (status of Capex Plan) along with Form 15.*

**(ii) Issue:**

This petition includes True-up of ARR for FY 2020-21. Therefore, SLDC was asked to submit information regarding achievement vis-a-vis Capex plan approved by the Commission for FY 2020-21.

**SLDC's Reply:**

*The detail of actual expenditure vis-a-vis Capex Plan approved by the Commission for FY 2020-21 is attached herewith as Anneuxre-I.*

**(iii) Issue:**

At para 7.8 (iv) of the petition, SLDC has submitted that Capex requirement for FY 2021-22 was Rs. 70.43 lakhs and the requirement for FY 2022-23 is Rs. 322 lakhs. It is observed at para 30 (i) of the Commission's tariff order dated 06.12.2021, that the proposed capital expenditure during FY 2021-22 was Rs. 232.67 lakhs and for FY 2022-23 was Rs. 481.25 lakhs. The petitioner was asked

to reconcile the capital expenditure works which have been completed during FY 2021-22 and the capital works which are expected to be undertaken during FY 2022-23. The project/scheme/work wise proposed requirement in the subject petition be reconciled. Reasons for delay/ postponement of works were sought.

**SLDC's Reply:**

*It is submitted that status of Capital Expenditure Plan for the period 2021-22 to 2025-26 is given in Annexure- I at page no. 69 of the petition. Further, it is submitted that the details of actual expenditure (provisional) for FY 2021-22 along with reason is enclosed herewith as Annexure-II. The status of Capital Expenditure plan for FY 2022-23 along with reason is enclosed herewith as Annexure-III.*

**(iv) Issue:**

Information submitted in form F-4 regarding employee cost and provisions shows that for FY 2021-22 and 2022-23, number of working strength at the beginning of the year is constant at 88. However, the provision for other terminal benefit / EL encashment at retirement has increased from Rs. 47.70 lakhs to Rs. 153 lakhs. The reasons for substantial increase along with details of the total employees and their salary were sought.

**SLDC's Reply:**

*Employee cost for FY 2022-23 has been worked out for the working strength (88) at SLDC & Sub-LDCs as on 30.11.2021. The working strength during the FY 2022-23 are kept same as in FY 2021-22. As the employee cost has been worked out on the basis of working strength as on 30.11.2021. However, the SLDC has considered the salary of retired person up to date of their retirement and no projection has been considered for vacant post. The projection of Employee cost for FY 2022-23 along with employee wise salary is enclosed herewith as Annexure-IV. SLDC has considered DA @ 23% for first three months, DA @ 26% for Six Months and DA @ 29% for three months. However, State Government has declared DA @ 31% from the month of March-2022.*

*Further, the projection towards terminal benefit (EL encashment on retirement) is considered on the basis of Nine no. officer/employee who is retiring during the FY 2022-23 whereas projection towards terminal benefit (EL encashment on retirement) is only considered 5 No. officer/employee in FY 2021-22. The list of Officer/employee along with calculation of EL encashment is enclosed herewith as Annexure-V.*

**(v) Issue:**

Information submitted in Form F-5 for Administration and General expenses shows that the expenses on hiring of vehicles is projected as Rs. 32.40 lakhs for FY 2022-23. The reasons for substantial increase in this expenditure were sought.

**SLDC's Reply:**

*It is submitted that in FY 2021-22 five no. of vehicles has been considered, however, the One additional vehicle has been hired during the FY 2021-22, so that total six no of vehicle hiring charges has been considered in FY 2022-23, (after obtaining the approval from MD, MPPTCL). The increase in vehicle hiring charges is due to increase in one no. of vehicle in FY 2022-23 & due to increase in diesel rate & driver salary.*

**(vi) Issue:**

The reasons for increase in out sourcing expenses from Rs. 20.58 lakhs in FY 2021-22 to Rs. 34.73 lakhs in FY 2022-23 were sought.

**SLDC's Reply:**

*It is submitted that projection for outsourcing expenses for FY 2021-22 has been considered on the basis of working outsource employee during the FY 2020-21 which is Nine no. of outsource employee while projection of outsource expenses made base on requirement of (17 no computer operator which is include 7 no. Highly Skill, 8 No. Skill and 2 No semi skill) outsource employee for FY 2022-23.*

**(vii) Issue:**

The actual legal charges were Rs. 0.69 lakhs during FY 2020-21. However, these are projected as Rs. 20 lakhs for FY 2022-23. The actual legal expenses incurred during FY 2021-22 along with the reasons for proposing substantial increase in projections of legal charges during FY 2022-23 were sought.

**SLDC's Reply:**

*The projection of legal charges has been considered due to various court cases pending in MPERC, Appellate Tribunal and High Court and Supreme court. The projection has been considered on the basis of legal charges has been incurred up to December -2021. In FY 2021-22 legal charges of Rs. 37.27 Lakhs has already been incurred up to March -2022. The projection of Rs. 20 Lakhs as legal expenses for FY 2022-23 is very low as compared to actual expenditure on legal expenses for FY 2021-22.*

**(viii) Issue:**

Actual expense on plant and machinery was Rs. 91.71 lakhs during FY 2020-21. This is projected as Rs. 154.27 lakhs during FY 2022-23. Reasons for substantial increase in this head were sought.

**SLDC's Reply:**

*The increase in R & M charges is due to increased cost of maintenance and addition in equipment's. It is here to mention that the AMC of most of the systems is linked with labour price index and hence charges will be increased year by year. The maintenance cost of the equipment also depends on life of equipment & higher cost*



*required for old equipment. Further, maintenance cost also increases due to increase in cost of spares. Further, it is also to mention that in FY 2021-2022, AMC cost of REMC system and Load forecasting system developed by IIITDM shall also be required to be paid as AMC of these system has commenced from 01 April 2021 & 15-08-2021 respectively. The PSS/E software maintenance and support cost shall also require to be paid during the FY 2022-23.*

**(ix) Issue:**

Actual expense on building related works during FY 2020-21 was Rs. 8.47 lakhs. The projected expenditure for FY 2022-23 is Rs. 24.02 lakhs. Reasons for substantial increase were sought.

**SLDC's Reply:**

*The projection towards building related works mainly considered works towards House Keeping of SLDC Building at Jabalpur, Bhopal & Indore. The housing keeping charges has been worked out on the basis of 13 No. of workers working at Jabalpur, Bhopal & Indore. Regarding actual expenses, it is to submitted that as the actual bill was not submitted by the contractor during the FY 2020-21, the actual booking is not reflected in Annual Expenses for FY 2020-21.*

**(x) Issue:**

For civil works, the projected expenditure during FY 2022-23 is Rs. 45 lakhs while the actual expenditure during 2020-21 was nil. The petitioner was asked to submit details in support of its projected expenditure under this head.

**SLDC's Reply:**

*The expenditure towards civil works is considered based on the requirement received from civil section. It is to submitted that due to covid-19, works related to civil works has not been initiated so that booking of under this head is nil. The civil works like Repairs and Maintenance & roof treatment of Sub-SLDC & Backup SLDC Building at Bhopal, Replacement and Beautification of the SLDC Main Gate, Beautification Beside Main Gate, Replacement of AC sheet of Vehicle Stand, Extension of OLD Parking Shed, Internal, External Painting of SLDC Building, are considered on the basis of requirement received from civil department and taken up in 2022-23. The details of Repairs & Maintenance Expenditure for Five years is enclosed herewith as Annexure-VI.*

**(xi) Issue:**

In form F-1, the revenue from scheduling and operation charges is expected to remain at Rs 350 lakhs during FY 2022-23 which is same as that projected for FY 2021-22. The actual O&S charges received during FY 2021-22 and the reason for not projecting any increase in revenue from O & S charges were sought.

**SLDC's Reply:**

*It is submitted that SLDC has projected scheduling & operation charges on the basis of scheduling & operation charges received in current year (FY 2021-22). It is submitted that Scheduling & Operation charges received during the FY 2021-22 is Rs. 6.80 Core (provisional). Accordingly, Rs. 350.00 Lakhs is considered as scheduling & operation charges for FY 2022-23. It is requested to Hon'ble Commission that actual income may be considered during the True up process.*

**(xii) Issue:**

Application processing fee for STOAC is also kept constant at Rs. 70 lakhs. The details of actual revenue under these heads during FY 2020-21 & FY 2021-22 were sought. The petitioner is also required to submit reasons for keeping this fees at the same level of previous year.

**SLDC's Reply:**

*It is submitted that SLDC has projected Rs. 70.00 Lakhs towards Application processing fee for the FY 2022-23 on the basis of application processing fee received in FY 2018-19, FY 2019-20 & 2020-21, which is Rs. 64.90 Lakhs, Rs. 60.25 & Rs. 62.50 Lakhs respectively. However, the actual application processing fee received up to March'22 is Rs 90.65 Lakhs.*

**(xiii) Issue:**

At para 7.10 of the petition, provisions for other income for FY 2022-23 has been considered as Rs. 5 lakhs. However, form F-2 shows that the actual other income for FY 2020-21 was Rs. 50.33 lakhs. The petitioner was asked to submit details/documents regarding actual other income in FY 2020-21 along with reasons for the lower projections for FY 2022-23.

**SLDC's Reply:**

*It is submitted as mentioned in From F2, other income of Rs. 50.33 Lakhs during the FY 2020-21 are comprising of Interest on Fixed deposit, Deferred income on PSDF grant, Interest on Loans and Advance to staff, misc. income (penalty from supplier, house rent from employees, bus charges from employees, Sale of tender fee & Application Fee under RTI). SLDC has not considered Deferred income on PSDF as theses income are not received on cash basis and the accounted this income on the basis of Depreciation charged on assets created through on PSDF project and SLDC has not claimed depreciation in its ARR. So, after deducting of Rs. 37.13 lakhs (Deferred Income on PSDF grant) from total Rs. 50.33 Lakhs, net other income is works out to Rs. 13.20 lakhs for FY 2020-21 which is comprised of Interest on Fixed deposit, Deferred income on PSDF grant, Interest on Loans and Advance to staff, misc. income (penalty from supplier, house rent from employees, bus charges from employees, Sale of tender fee & Application Fee under RTI). Further, it is submitted SLDC has considered the income as Rs. 5 Lakhs only as the Interest on Fixed Deposit shall not be received in FY 2022-23, further, amount of*

*Rs. 2.0 Lakhs received from POSOCO towards final settlement of AMC charges of SCADA which is accounted as misc. income in FY 2020-21. It is requested to Hon'ble Commission may allow SLDC to claimed actual income in true-up process in FY 2022-23.*

**(xiv) Issue:**

Other income related to PSDF grant was Rs. 37.13 lakhs and the other miscellaneous receipts were Rs. 6.23 lakhs during FY 2020-21. These are projected as Rs. Nil and Rs. 2 lakhs respectively for FY 2022-23. Reason for the lower projections were sought.

**SLDC's Reply:**

*The SLDC has considered nil income as the Deferred income on PSDF grant Interest are not received on cash basis and the accounted this income on the basis of Depreciation charged on assets created through on PSDF project and SLDC has not claimed depreciation in its ARR. Regarding, miscellaneous receipts, it is submitted that SLDC has booked miscellaneous receipts of Rs. 2 lakhs received from POSOCO towards final settlement of AMC charges of SCADA and other income which is not a routine nature so that SLDC has only considered Rs. 2.0 Lakhs under the head miscellaneous receipt.*

**(xv) Issue:**

SLDC has submitted its balance sheet and audited accounts for FY 2020-21 along with the petition and has submitted information for true-up of its ARR for FY 2020-21. Note 8 of the balance sheet as on 31.03.2021 shows unbilled revenue of Rs. 216.84 lakhs, which was nil as on 31.03.2020. The reasons for the aforesaid unbilled revenue were sought.

**SLDC's Reply:**

*It is submitted that unbilled revenue of Rs. 216.84 Lakhs for FY 2020-21 is related charges to Revision of Scheduling to Long Term customers/Generators. The billing of the same has been done after the end of month. Regarding unbilled revenue for FY 2019-20 has been accounted in Debtors head instead of Unbilled Revenue head.*

**(xvi) Issue:**

Other miscellaneous receipts for FY 2020-21 have been shown as 13.20 lakhs in the petition. However, note 17 of the balance sheet as on 31.02.2021 shows other income as 50.33 lakhs. Reasons for variation and the correct figures to be considered in the subject petition were sought.

**SLDC's Reply:**

*It is submitted that SLDC has considered Rs. 13.20 Lakhs in True up for FY 2020-21 and not considered Rs. 37.13 Lakhs as these income related PSDF grant. SLDC has not considered Deferred income on PSDF in True-up process as theses income are not received on cash basis and the accounted this income on the basis of*

*Depreciation charged on assets created through PSDF project and SLDC has also not claimed depreciation in its ARR. Hence, SLDC has considered only Rs. 13.20 Lakhs in True-up Process for FY 2020-21. However, SLDC has showed the differed income on PSDF Grant in Form F-2. It is requested to Hon'ble Commission may kindly consider the Other Income of Rs. 13.20 Lakhs in True-up for FY 2020-21.*

**(xvii) Issue:**

SLDC has made additional submission regarding adjustment of SLDC charges among the Discoms, SEZ (Indore) and WCR (West Central railway) for FY 2019-20 and FY 2020-21 on the basis of the Transmission capacity for respective years approved in the Commission's Transmission MYT Order dated 19/05/2021 in petition No. 45/2020.

It is observed that SLDC tariff for FY 2021-22 was issued vide Commission's Order dated 06.12.2021 in petition no. 28/2021. This was 6 months after issue of the Commission's Transmission MYT order dated 19.05.2021.

In view of the above, the petitioner was asked to submit reasons for not submitting the information regarding adjustment of SLDC charges for FY 2019-20 and FY 2020-21 in earlier petition no. 28/2021 and filling it in the subject petition. The effect of these adjustments on carrying cost and other items of ARR be also submitted.

**SLDC's Reply:**

*SLDC has filled the petition (No. 28/2021) Levy & Collection of Fee and Charges for FY 2021-22 on dated 22.04.2021. It is submitted that SLDC could not submit information regarding adjustment as the petition was already got delayed due to Covid-19 and the SLDC, due to oversight, could not submit the additional submission of SLDC on transmission capacity for FY 2019-20 & FY 2020-21. However, there is no change in ARR due to adjustment of SLDC Fee and charges for FY 2019-20 & FY 2020-21.*

**(xviii) Issue:**

At para 61 of the Commission's SLDC tariff order for FY 2021-22 dated 06/12/2021, the Commission has determined applicability and levy of various SLDC Fee and Charges for FY 2021-22. It is also observed that SLDC has sufficient Capex fund balance. The petitioner was asked to submit revision required in these charges in the subject petition. Since the revenue from O & S Charges gets adjusted in the other income and are reduced from ARR, the response on this was also expected from SLDC.

**SLDC's Reply:**

*Hon'ble MPERC has issued order regarding Levy & Collection of Fee and Charges for FY 2006-07 on dated 13.10.2006. In the Table 21, Para 3.3 at Page no. 27 of the*

*order, Hon'ble Commission has approved the rate Rs. 3000/- for operation and Scheduling charges for Short Term Customers and Rs. 3000/- for Revising schedule.*

*It is submitted that rate of Rs. 3000/- for per transaction per day for operation & Scheduling charges is applicable since FY 2006-07 & not enhanced since last fifteen years while volume of work is enhanced manifold since then.*

*Earlier, when SLDC, MPPTCL is under Cash Flow Mechanism, most of the expenses has been meet out through book entries. Since 2012, MPPTCL exited from Cash flow mechanism and the expenditure of SLDC has been meet out from receipt from Long Term Customers and Short-Term Customers. Due to receipt of Operation and scheduling charges, working Loan for its expenses is not required by SLDC.*

*Further, SLDC has meet out its capital expenditure from 50% of scheduling & Operation charges. If revision has been carried out in Operation and Scheduling charges, SLDC Capex Fund may not be sufficient for meet out the Capital expenditure. It is here to mention that capital intensive works like Replacement of SCADA/EMS system, construction of conference room and other civil works are under progress. The present expected expenditure (Rs. 15 crore) for replacement of SCADA/EMS system considered in capex plan is based on past project and enhancement in capex requirement based on revised BOQ/specification is expected which shall were sought by POSOSCO by August-September 2022.*

*It is also to mention that, if operation and scheduling charges is reduced, net ARR for the same shall be increased and burden of the same shall be on Long Term Customers which will be an indirect impact on Public. In view of the above, it is requested that Honorable Commission may maintain the existing scheduling and operation charges.*

**(xix) Issue:**

Vide daily order dated 30/03/2022, the Commission has admitted the petition and has issued certain directions. SLDC's response on compliance of the Order & response on Respondent's reply be also submitted.

**SLDC's Reply:**

*It is submitted that as directed by Hon'ble Commission vide daily order dated 30.03.2022, SLDC has served the petition to all the respondents vide this office letter No. SE/LD:E&T/645-IX/771 dated 05.04.2022. The copy of this office letter dated 05.04.2022 is enclosed herewith as Annexure-VII. Further, it is submitted that no response received from respondents till date.*

12. It was observed that the reply on some issues was lacking clarity therefore, vide Commission's letter No. 1114 dated 20/05/2022, such issues were communicated to the petitioner seeking its response. In response, vide letter no. 1194 dated

03/06/2022, SLDC has submitted issue wise reply. The details of the issue and SLDC's response is as under:

(a) **Issue:**

Application processing fee for FY 2022-23 has been projected as Rs. 70 lakhs, even though the actual application processing fee received during FY 2021-22 was Rs 90.65 Lakhs. SLDC is required to submit reasons for not projecting the fees based on that.

**SLDC's response:**

*The projection of application processing fee for FY 2022-23 has been projected on the basis of Application processing fee received in last three years. The detail of application processing fee received during last three years is given below: -*

*(Rs. in Lakhs)*

<i>S. No.</i>	<i>Financial Years</i>	<i>Amount</i>
<i>1</i>	<i>2018-19</i>	<i>64.90</i>
<i>2</i>	<i>2019-20</i>	<i>60.25</i>
<i>3</i>	<i>2020-21</i>	<i>62.50</i>
<i>Total</i>		<i>187.65</i>

*The average of last three years is Rs. 62.55 Lakhs, However, the SLDC has inadvertently not considered current year (FY 2021-22) application processing fee while preparation the petition so that SLDC has projected only Rs. 70.00 Lakhs. It is requested to Hon'ble Commission kindly considered actual earning in True-up process for FY 2021-22, while filing the petition for Levy & Collection of Fee and Charges for FY 2023-24.*

(b) **Issue:**

SLDC is required to submit details in tabular form regarding corresponding charges (connection fee, Operation & Scheduling charges, Revising schedule charges for RE generators & Revising schedule charges for other than RE generators) for FY 2021-22 applicable in other states of the Western Region and for DERC Delhi & CERC Delhi.

**SLDC's response:**

*As per available record on respective SLDC/RLDC websites and telephonically conversion, the details of (Connection fee, operation & Scheduling Charges, Revising Schedule Charges for RE Generators & Revising Schedule for other than RE Generators ) are given below:-*

*(Amount in Rs.)*

<i>Name</i>	<i>Connection Fee/ Registration</i>	<i>Scheduling &amp; Operation Charges (Per-day)</i>	<i>Revising Schedule Charges for RE Generators</i>	<i>Revising Schedule Charges for other than RE Generators</i>
<i>WRLDC</i>	<i>10000.00</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>
<i>GUJRAT SLDC</i>	<i>10000.00</i>	<i>2000.00</i>	<i>-</i>	<i>-</i>
<i>MAHARASHTRA SLDC</i>	<i>20000.00</i>	<i>2250.00</i>	<i>2250.00</i>	<i>2250.00</i>
<i>CHHATTISGARH SLDC</i>	<i>-</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>
<i>DELHI SLDC</i>	<i>10000.00</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>
<i>GOA</i>	<i>-</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>
<i>DD</i>	<i>-</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>
<i>DNH</i>	<i>-</i>	<i>1000.00</i>	<i>-</i>	<i>-</i>

**(c) Issue:****Public notice & public hearing:**

The Commission directed SLDC that the approved public notice be published in leading Hindi & English newspapers within three days and to upload public notice, petition along with all Annexure and documents prominently on the SLDC's website.

**SLDC's response:**

*The public notice has been published in two Hindi newspapers (Dainik Bhaskar - Indore & Hariboomi - Jabalpur on 24.05.2022 and one number English newspaper (The Times of India - Bhopal) on 24.05.2022. (Copy Enclosed).*

*SLDC has uploaded Public Notice and Petition for Levy & Collection of Fee and Charges by SLDC for FY 2022-23 on SLDC website "sldcmpindia.com"*

13. Two stakeholders M/s Freewings Power and Infra Limited Indore and M/s Jaideep Ispat & Alloys Pvt. Ltd. Indore by their letters dated 06/06/2022 & 09/06/2022, respectively submitted their comments / objections / suggestions. SLDC vide letters No. 1214 dated 07/06/2022 and No. 1229 dated 10/06/2022 respectively submitted its response on the issues raised by the above stakeholders.
14. Public hearing in the matter was held on **14<sup>th</sup> June, 2022** through Video Conferencing. Two aforementioned stakeholders who had submitted their written comments / objections / suggestions appeared during the public hearing and submitted their views. Details of the issues raised by the stakeholders and the

SLDC's written response thereof are annexed as **Appendix - 1** of this Order. The representatives of SLDC appeared in the public hearing. After hearing, M/s Freewings Power and Infra Limited, Indore by its letter dated 15/06/2022 submitted written comments on the additional issues raised by it during the public hearing. Vide its letter No. 1287 dated 22/06/2022, SLDC submitted its response on the aforesaid issues.

### Fee and Charges for FY 2022-23

#### Capital Cost

#### 15. Petitioner's submissions:

(A) *Hon'ble 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 herewith as Annexure-I. The details of Capex Fund as on 31st March 2021 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>
<i>2006-07</i>	<i>39.18</i>	<i>19.59</i>	<i>19.59</i>
<i>2007-08</i>	<i>67.64</i>	<i>33.82</i>	<i>33.82</i>
<i>2008-09</i>	<i>125.37</i>	<i>62.69</i>	<i>62.69</i>
<i>2009-10</i>	<i>151.57</i>	<i>75.79</i>	<i>75.79</i>
<i>2010-11</i>	<i>202.92</i>	<i>101.46</i>	<i>101.46</i>
<i>2011-12</i>	<i>185.43</i>	<i>92.72</i>	<i>92.72</i>
<i>2012-13</i>	<i>265.63</i>	<i>132.82</i>	<i>132.82</i>
<i>2013-14</i>	<i>265.74</i>	<i>132.87</i>	<i>132.87</i>
<i>2014-15</i>	<i>363.81</i>	<i>181.91</i>	<i>181.91</i>
<i>2015-16</i>	<i>364.39</i>	<i>182.20</i>	<i>182.20</i>
<i>2016-17</i>	<i>407.94</i>	<i>203.97</i>	<i>203.97</i>
<i>2017-18</i>	<i>508.83</i>	<i>254.42</i>	<i>254.42</i>
<i>2018-19</i>	<i>572.79</i>	<i>286.40</i>	<i>286.39</i>
<i>2019-20</i>	<i>644.19</i>	<i>322.10</i>	<i>322.10</i>
<i>2020-21</i>	<i>611.89</i>	<i>305.95</i>	<i>305.95</i>
<b><i>Total (A) as on 31.03.2021</i></b>	<b><i>4777.32</i></b>	<b><i>2388.66</i></b>	<b><i>2388.65</i></b>



**The Details of Actual Capital Expenditure for the FY 2006-07 to FY 2020-21.**

<b>( Amount in Lakhs of Rs.)</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
<b>Total (B)</b>	<b>556.57</b>	<b>182.52</b>	<b>0</b>	<b>739.09</b>

	<i>Fund through</i>	
Less:-	PSDF	247.56
Less:-	Fund through MPPTCL Fund	5.29
	<b>Fund Utilized through Capex Fund ( C )</b>	<b>486.24</b>
	<b>Net Capex Fund As on 31.03.2021 (A-C)</b>	<b>1902.41</b>

*It is submitted that MPPTCL has released Rs. 1311.91 Lakhs in to SLDC Capex Bank Account on dated 19.08.2021. SLDC has computed Capex fund as on 31<sup>st</sup> March 2021 and as per SLDC records Capex fund is Rs. 1902.41 Lakhs. Out of Rs. 1902.41 Lakhs, Rs. 1311.91 Lakhs has already been transferred in to SLDC Capex A/c. SLDC is also perusing the Finance Section of MPPTCL to transfer the balance amount of Rs. 590.50 Lakhs in SLDC Capex A/c.*

**(B) Incorporation of Additional Work in Capex Plan Submitted with Petition for Levy & Collection of Fee and Charges by SLDC for FY 2022-23.**

**(i) Name of Work :-** Integration of NOAR and ABT,OA & MIS system of SLDC through API & Sharing SLDC data to MPPMCL

**(ii) Details of Work :-** Hon'ble Commission has approved the work Supply, Installation, testing Commissioning of ABT, OA & MIS System in Capex Plan for FY 2016-17 to FY 2020-21 vide order dated 26.04.2017 along with ARR for FY 2017-18. The same Assets has been capitalized on dated 06.03.2019 at Rs 2.75 crore. It is submitted that above system is being utilized for scheduling, processing of Open Access Applications, monthly state Energy Account, preparation of DSM and Reactive Energy Charges for the State Grid entities, preparation of RE DSM charges, Transmission Element outage planning, State Deviation Pool Account etc.

Now up gradation of ABT, OA and MIS system is required to facilitate following functionalities:-

**(A) Integration of NOAR portal to the ABT, OA & MIS System of SLDC.** Presently, application seeking Inter-State transaction of power under Short Term Open Access are being processed through the ABT, OA & MIS System of SLDC. Hon'ble CERC on dated 2<sup>nd</sup> Janaury-2019, has notified Open Access in Inter State Transmission Regulation-2008, fifth amendments to operationalize Open Access through National Open Access Registry (NOAR). As per Clause-3A (3) of the said regulation, NLDC has been nominated as the nodal agency for implementation and operation of NOAR.

NOAR shall be common electronic platform for automatic administration of the Short Term Open Access (STOA) in Interstate Transmission System (ISTS), providing single window electronic platform to the state holders, including Short Term Customers, trading licenses, power Exchanges, NLDC, RLDCs, SLDC, and Regional Power Committees in connection with STOA in ISTS.

NLDC has developed NOAR platform for Open Access in in Interstate Transmission System. All the STOA applications for Interstate transaction of power shall mandatorily be processed through the NOAR Portal, shortly. So that SLDC is required Integration of NOAR and SLDC through API in JSON format.

**(B) Sharing of SLDC Data with MPPMCL.**

Power Management section of MPPMCL has developing system for Demand Forecasting, economic scheduling, Sale/Purchase of Power through Exchanges, better implementation of MOD, measures to curtail Power Purchase cost etc. MPPMCL has

*requested SLDC to provide Following real time data from ABT, OA & MIS System installed at SLDC as input data for their System, being developed by PTC India:-*

<i>S. No.</i>	<i>Data Required</i>	<i>Parameters</i>	<i>Frequency</i>
<i>1</i>	<i>Declared Capacities of SSGSH, SSGST, REG, ISGS, ISP, OSP, IPP</i>	<i>Data, generators type, Revision number</i>	<i>As per revision made by generators</i>
<i>2</i>	<i>Entitlement of SSGH, SSGST, REG, ISGS, ISP, OSP, IPP</i>	<i>Date, generator type, Revision number</i>	<i>As per revision made by generators</i>
<i>3</i>	<i>Drawl Schedule of SSGSH, SSGST, REG, ISGS, ISP OSP, IPP</i>	<i>Date, generator type, Revision number</i>	<i>As per revision made by generators</i>
<i>4</i>	<i>Despatch Schedule of SSGSH, SSGST, REG, ISGS, ISP, OSP, IPP</i>	<i>Date, generator type, Revision number</i>	<i>As per revision made by generators</i>

*The above data can be provided through Application Programme Interface (API) based mechanism where the generators category, date and revision number can be passe as parameters giving the result back in JSON form of Java.*

***(iii) Financial Commitments:-*** *The above work is to be implemented in existing ABT,OA & MIS system, which is proprietary to M/s Kalkitech Communication Technology Pvt Ltd Bangalore. Accordingly, the work is to be arranged through proprietary basis. SLDC has obtained budgetary offer from M/s Kalki communication Technologies Pvt, Ltd Bangalore and the expected financial commitment for implementation of above work shall be Rs. 20.00 lakhs.*

*Both the above works are required to be arranged as a regulatory requirement and necessary for smooth functioning of SLDC tasks.*

*As per the detailed finalized, the order for the above work shall be placed in March - 2022, however, the fund shall be required after completion of work. Accordingly, the projection for the works is considered in Capex plan for FY 2022-23.*

*The administrative approval for this work has already been obtained from MD, MPPTCL vide UO Note No. 103 dated 02.02.2022.*

**Commission's Analysis:****16. Capital expenditure for six years from FY 2021-22 to FY 2025-26:**

**(i) Requirement and Availability of Fund:-** It is observed that after considering the Capex works, SLDC has projected sufficient Capex Fund of Rs 2756.77 Lakhs at the end of FY 2026-27. The details of availability of Capex Fund is detailed hereunder:-

a. The total requirement & availability of fund for Capex works for Six years (Review of FY 2021-22 and future plan of 5 years) as filed by SLDC is summarized below:

**Year wise proposed requirement as well as availability of fund in Rs. Lakhs**

S. No	Particulars	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
1	Availability of fund for Capex (Approved/Projected)	436.00	438.00	481.80	529.98	582.98	641.28
2	Previous year Balance	1902.41	2267.98	2383.98	1869.53	1662.51	2125.49
3	Total Capex Fund Available (1+2)	2338.41	2705.98	2865.78	2399.51	2245.49	2766.77
4	Capex Requirement	70.43	322.00	996.25	737.00	120.00	10.00
5	Cumulative Surplus (3-4)	2267.98	2383.98	1869.53	1662.51	2125.49	2756.77

b. SLDC has submitted that MPPTCL has released Rs 1311.91 Lakhs into SLDC Capex Bank Account on 19.08.2021. SLDC has computed Capex fund as on 31<sup>st</sup> March 2021 and as per SLDC records, Capex fund is Rs 1902.41 Lakhs. Out of Rs 1902.41 Lakhs, Rs 1311.91 Lakhs has already been transferred into SLDC Capex A/c. SLDC is perusing the Finance Section of MPPTCL to transfer the balance amount of Rs 590.50 Lakhs in SLDC Capex A/c.

17. 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.

18. It is observed that summary of the CAPEX plan approved by the Commission in SLDC's Tariff Order for FY 2021-22 is as under:

**Capital Expenditure Plan for the period 2021-22 to 2025-2026**

Amount (Rs. Lakhs)

S. No.	Description of Project/ Scheme/ work	Proposed requirement of fund for the financial year					
		2021-22	2022-23	2023-24	2024-25	2025-26	Total
<b>A</b>	<b>Capital works in progress &amp; likely to be completed in Financial Year 2021-22</b>						
1	Weather Monitoring Station Comprising of RTU & Weather Sensors	8.00	0.00	0.00	0.00	0.00	8.00
2	Load Forecasting System At SLDC	18.67	0.00	0.00	0.00	0.00	18.67
3	Replacement of fire extinguishers at SLDC	3.00	0.00	0.00	0.00	0.00	3.00
4	Providing Split Airconditioners at SLDC and Backup SLDC	8.00	0.00	0.00	0.00	0.00	8.00
5	Arranging secure Video Connection between WRLDC & SLDC control rooms for real time grid monitoring	23.00	0.00	0.00	0.00	0.00	23.00
<b>B</b>	<b>Proposed Capital works</b>						
1	Replacement of SCADA/EMS system of SLDC, Back-Up SLDC and Sub-LDC, Indore	0.00	250.00	600.00	600.00	50.00	1500.00
2	Implementation of Automatic Generation Control (AGC) at SSTPP, stage-I, Khandwa	60.00	60.00	58.00	0.00	0.00	178.00
3	Implementation of Security Constraint Economic Dispatch (SCED) system at MP SLDC	30.00	47.25	0.00	0.00	0.00	77.25
4	Extention of Control room to accommodate new SCADA/EMS system	2.00	10.00	0.00	0.00	0.00	12.00
5	Construction of new confrence room	25.00	10.00	0.00	0.00	0.00	35.00
6	Cutting of Rocks & levelling near the boundary wall to develop the premises.	7.00	0.00	0.00	0.00	0.00	7.00
7	Fire hydrant arrangement, drilling of tube well, installation of pump etc.	0.00	30.00	30.00	0.00	0.00	60.00
8	Construction of Retaining wall around SLDC Building & construction of pathways around SLDC building.	20.00	25.00	0.00	0.00	0.00	45.00
9	Replacement of fire alarm system at SLDC	5.00	6.00	0.00	0.00	0.00	11.00
10	Providing peripheral lighting arrangement around SLDC building	0.00	0.00	5.00	0.00	0.00	5.00
11	Office Equipments At SLDC & backup SLDC & Sub SLDC	5.00	5.00	5.00	5.00	5.00	25.00
12	Construction, Extension and	0.00	0.00	5.00	0.00	0.00	5.00

	Renovation of Parking space at SLDC Jabalpur						
13	Providing CCTV based surveillance system at Backup SLDC Bhopal	5.00	0.00	0.00	0.00	0.00	5.00
14	Construction of two wheeler & four wheeler Parking Space at Sub-LDC Bhopal	8.00	7.00	0.00	0.00	0.00	15.00
15	Miscellaneous requirement for upgradation of SCADA/EMS, wideband equipment for URTDSM/REMC project	5.00	5.00	5.00	5.00	5.00	25.00
16	Procurement of File Optimizer/Compactor, racks and furniture items for SLDC, Backup SLDC and Sub-LDC	0.00	5.00	5.00	5.00	0.00	15.00
17	Replacement of battery bank of UPS and DCPS at SLDC, Backup SLDC and Sub-LDC	0.00	0.00	5.00	45.00	45.00	95.00
18	Installation of grid connected roof top solar plants at Backup SLDC & Sub-LDC & SLDC	0.00	18.00	15.00	15.00	0.00	48.00
19	Control Panel For Distribution of Auxillary Power Supply System	0.00	3.00	4.00	0.00	0.00	7.00
	<b>Total</b>	<b>232.67</b>	<b>481.25</b>	<b>737.00</b>	<b>675.00</b>	<b>105.00</b>	<b>2230.92</b>

19. Vide Commission's letter No. 852 dated 20/04/2022, SLDC was asked about compliance of the terms and conditions mentioned at para 30(ii) of the Commission's Order dated 06/12/2021 in which in-principle approval of the Capex plan was granted. In response, vide its letter No. 1024 dated 10/05/2022, SLDC submitted its point wise response regarding compliance of all terms and conditions. These have been mentioned in previous paragraphs of this Order and are not repeated here for brevity.

The Commission observed that since Capex. Plan FY 2022-23 has already been approved as part of the aforesaid 5 year Capex. Plan, SLDC must fulfill terms and conditions mentioned in that Order.

#### **Levy of SLDC Charges:**

20. 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 Expenses 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 contributions indentified for capital expenditure
- Taxes and duties, and
- Capital cost

### **Operation and Maintenance Expenses:-**

#### **Provisions under Regulations:**

21. 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:-**

#### **22. Petitioner's submission:**

##### **In the subject petition, SLDC has submitted as under:**

*The SLDC is carrying out the function of system operation and control in the State. The employee position as on 31<sup>st</sup> November 2021 is total 152 sanctioned posts and 88 working strengths in all the cadres which also include one post of Executive Finance and one post of OA-GR-III on contract basis at SLDC, one post of Junior Engineer on contract basis posted at Sub-LDC Indore and one post of Testing Attendant on contract basis at Backup SLDC Bhopal & Sub-LDC Indore. It is submitted that Addl.CE is given current charge of CE, two SEs is given current charge of Addl C.E, three EEs is given Current charge of SE and also five AEs & Three JEs is given current charge of EE & AE respectively. The detail of sanctioned, working and vacant position in SLDC as on 30-11-2021 is Annexed in Annexure OC1.*

*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 2022-23. 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. Further, as per CERC (fees and Charges of RLDC and other related matters) regulation 2019 notified on 5<sup>th</sup> April 2019, the provision of certificate linked incentive to SLDC/Sub-LDC employees are also under consideration through Load Despatch Centre development (LDCD) Fund. Accordingly, provision for*

*certification-based incentive is not made in employee cost for FY 2022-23 and it is proposed that the same shall be adjusted in true up, if required to be paid.*

*Further, it is submitted that during the FY 2022-23, 9 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 153.00 lakhs shall be required to pay on account of Leave encashment.*

*The total employee cost works out to Rs. 1349.55 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.*

**EMPLOYEE COST AND PROVISIONS:**

- (a) *The employee cost for FY 22-23 has been worked out for the working strength at SLDC & Sub-LDCs as on 30-11-2021. 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 November-2021 plus considering One increment w.e.f July-22 and applicable allowance thereon.*
- (b) *The detail of sanctioned, working and vacant position in SLDC as on 30-11-2021 is Annexed as Annexure OC1.*

*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 @ 20% and Central Government are paying DA @ 31% from w.e.f July-2021. hence, SLDC has considered increase in DA in FY 2022-23, @ 23% for first three months, @ 26% for Six months and @ 29% for three months. It is requested to Hon'ble 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) @ 10% 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 2022-23.*
- (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 (URTDSM), 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, etc. Accordingly, lumsom projection for training & certification fees for specialist level and management level training programs has also been made during FY 2022-23*
- (vii) *The provision towards Ex-Gratia/bonus for ARR for Ay 2022-23 is not considered, however, it is requested that Hon'ble commission may kindly consider, if it is required to be paid by SLDC in True- up process for FY 2022-23. Hon'ble 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 22-23.*
- (viii) *The provision towards leave encashment at retirement has been considered for 9 no. officer/employee who are retiring the during the FY 2022-23.*
- (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:**

23. Vide Commission's letter No. 852 dated 20/04/2022, observations including those related to Employee expenses were conveyed and response on those were sought. It was observed that form F-4 regarding employee cost indicates that for FY 2021-22 and 2022-23, working strength at the beginning of the year has been constant at 88. However, provision for other terminal benefit / EL encashment at retirement has increased from Rs. 47.70 lakhs to Rs. 153 lakhs. The reasons for substantial increase along with details of total employees and their salary were sought. Vide its letter No. 1114 dated 10/05/2022, SLDC submitted its point wise response on all issues raised by the Commission as detailed in previous part of this Order.
24. Considering the above, the employee related expenses of **Rs 1349.55 Lakhs**, as claimed by SLDC are considered for FY 2022-23.

**Administration and General Expenses:****25. Petitioner's Submission:**

*The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2022-23 works out to Rs. 238.26 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 2022-23.*
- (ii) **Insurance:** A lump sum provision of Rs. 0.22 Lakhs has been made towards insurance charges during ensuing year.*
- (iii) **Telephone Expenses:** 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 details of the proposed expenses are annexed as Annexure AG1.*
- (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, 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 Six number vehicle are hired for SLDC i.e. one for Chief Engineer (SLDC), two for Additional Chief Engineer (Operation/Commercial), one for SE(LD:E&T) and one each for Backup SLDC, Bhopal & Sub-LDC Indore. Accordingly, the projection towards hiring of Six number vehicle is considered for FY 2022-23.
- (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 Bhopal.
- (viii) **MPERC Annual fee WRPC Fee:** - The projection for the FY 2022-23 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.
- (x) **Electricity Expenses:** - The projection towards Electricity expense for SLDC and Back-up SLDC of Rs. 78.03 lakhs has been considered in FY 2022-23. 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 Hon'ble commission may kindly approve electricity charges for Sub-LDC Indore during the true-up process for FY 2022-23, 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.
- (xi) **Work Outsource Expenses:-** The SLDC has taken services of Thirteen no of computer operators (7 in highly Skill and 4 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 requested to HR&A Department to hire 4 No. Computer Operators against retired employee. Accordingly, the projection towards outsource of Seventeen no of computer operators for the FY 2022-23 is considered in A&G expenses.
- (xii) **Entertainment expenses:** The entertainment expenses have been worked out considering the requirements due to increased responsibilities of SLDC.
- (xiii) **Legal Expenses:** The legal expenses have been worked out considering various legal issues and regulatory matters.

**Commission's Analysis:**

26. Vide Commission's letter dated 20/04/2022, the reason for substantial increase in expenses on hiring of vehicles, which is projected as Rs. 32.40 lakhs for FY 2022-23 was sought. In response, vide its letter dated 10/05/2022, SLDC submitted that in FY 2021-22 five no. of vehicles was considered, however, One additional vehicle has been hired during the FY 2021-22, so that total six no of vehicle hiring charges has been considered in FY 2022-23, (after obtaining the approval from MD, MPPTCL). The increase in vehicle hiring charges is due to increase in one vehicle in FY 2022-23 & due to increase in diesel rate & driver salary.

The Commission also observed that legal charges were Rs. 0.69 lakhs during FY 2020-21. However, these are projected to Rs. 20 lakhs for FY 2022-23. The actual legal expenses incurred during FY 2021-22 along with the reasons for proposing substantial increase in projections of legal charges during FY 2022-23 were sought. In response, SLDC submitted that the projection of legal charges has been considered based on various court cases pending in MPERC, Appellate Tribunal and Hon'ble High Court and Hon'ble Supreme Court. Petitioner in its reply submitted that projection of Rs. 20 Lakhs as legal expenses for FY 2022-23 is reasonable because in FY 2021-22 legal charges of Rs. 37.27 Lakhs were incurred.

27. Considering the reply filed by SLDC, Administration and General expenses of **Rs 238.26 Lakhs** as claimed are allowed for FY 2022-23.

**Repair and Maintenance Charges:****28. Petitioner's Submission:**

*The Repair and maintenance expenses for the year 2022-23 are estimated to Rs. 231.29 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, Fire Alarm 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 provision for civil maintenance works mainly comprise of External Painting and Repairing Work, Addl Parking Shed & Parking Area, General Internal Civil Maintenance Work Such as repairing of Doors, Windows, Floor ETC I/C Day to Day Maintenance Work, and*

*General Civil Maintenance Work of Water Supply Sanitation I/C Renovation of Sanitation System of SLDC Building etc. The Repair & Maintenance projections for Ensuing Year have been worked out considering the R&M expenses of SLDC, Sub-LDC Indore & Backup SLDC Bhopal.*

**Commission's Analysis:**

29. Vide Commission's letter No. 852 dated 20/04/2022, it was observed that actual expense on plant and machinery was Rs. 91.71 lakhs during FY 2020-21. This is projected to Rs. 154.27 lakhs during FY 2022-23. Reasons for substantial increase in this head were sought. The Commission also observed that for civil works, the projected expenditure during FY 2022-23 is Rs. 45 lakhs while during 2020-21 it was nil. The petitioner was asked to submit details in support of its projected expenditure under this head. In response, SLDC vide its letter No. 1024 dated 10/05/2022 submitted that the expenditure towards civil works is considered based on the requirement received from civil section. It is submitted that due to Covid-19, works related to civil works has not been initiated so that booking under this head is nil. The civil works like Repairs and Maintenance & roof treatment of Sub-SLDC & Backup SLDC Building at Bhopal, Replacement and Beautification of the SLDC Main Gate, Beautification Beside Main Gate, Replacement of AC sheet of Vehicle Stand, Extension of Old Parking Shed, Internal, External Painting of SLDC Building, are considered on the basis of requirement received from civil department and shall be taken up in FY 2022-23. SLDC's detailed responses have been covered in previous part of this Order and are not repeated for brevity.
30. The Commission considered the submission made by SLDC and allowed the R&M expenditure of **Rs. 231.29 Lakhs** for FY 2022-23 in this order, subject to true-up.

**Return on Equity and Depreciation:**

**Petitioner's Submission:**

31. 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. 102.73 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. 45.03 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to Rs. 15.03 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 2022-23.*

**Commission's Analysis:**

32. 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 on Working Capital:**

33. **Petitioner's Submission:**

***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. 151.59 Lakhs.*

***Interest on Working Capital: -***

*As per third amendment in regulation of SLDC fee and charges 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 11.40 % (Base Rate 7.40% wef 1<sup>st</sup> April 2021). However, interest on working capital is not considered in instant petition and the same will be claimed in true- up, if required.*

**Commission's Analysis:**

34. The Petitioner has submitted that working capital requirement is calculated as Rs. 151.59 Lakhs. 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 working capital loan from any agency and consequently has not incurred any expenditure on working capital.

Further, it was also observed that during FY 2022-23, receivables from Operation and Scheduling (O&S) charges are expected to be Rs. 700 Lakhs. In the present petition, SLDC has considered 50% of O&S charges i.e. Rs. 350 Lakhs 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 in all previous years and this is the reason for availability of cumulative balance of Capex fund of Rs. 1311.91 Lakhs as on 31/03/2019 with SLDC in its CAPEX fund a/c and cumulative surplus was Rs. 1902.41 Lakhs as on 31/03/2021.

It is observed that free reserves (in the form of unspent cumulative funds available for Capex) are adequate to meet the working capital requirement of SLDC. In view of the aforesaid status, the Commission had not approved any interest on working capital in past tariff orders also on the above-mentioned reasons. Therefore, as submitted by SLDC, the Commission has not considered interest on working capital for FY 2022-23

also in this order. The Commission has considered the actual expenses incurred by SLDC in its true-up petition for FY 2020-21 filed with this petition. If any expenditure for interest on working capital is found actually incurred by SLDC, such claim may be considered appropriately by the Commission after prudent check while trueing up for FY 2022-23.

### **Others - Payment of Statutory Taxes, Duties, etc.:**

#### **35. 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**

36. 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:**

#### **37. Petitioner's Submission:**

*Earning of Rs. 438.00 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 lump sum provision for FY 22-23 for Rs. 5.0 lakhs has been considered in Form F2 towards recoveries of transport facility, Rental for Staff quarter/water charges, recovery for telephone charges & Misc income.*

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

38. 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 2022-23 :

**(Amount Rs. Lakhs)**

S. No.	Particulars	FY 2022-23
1	Scheduling & Operation Charges (50% as income)	350.00
2	Connectivity Charges	18.00
3	Application processing fee for STOAC	70.00
4	Staff related other income	5.00
	<b>Total</b>	<b>443.00</b>

- ii. The Commission has observed following actual other income from the certified Accounts of SLDC for the last five years:

**(Amount Rs. Lakhs)**

Particular	FY	FY	FY	FY	FY
	2016-17	2017-18	2018-19	2019-20	2020-21
Actual Other income in True-up orders	297.87	365.94	360.65	402.44	397.90

- iii. Vide Commission's letter No. 852 dated 20/04/2022, it was observed that Application processing fee for STOAC is also kept constant at Rs. 70 lakhs. The details of actual revenue under these heads during FY 2020-21 & FY 2021-22 were sought. The petitioner was asked to submit reasons for keeping this fees at the same level of previous year. In response SDLC by its letter dated 20/05/2022 submitted that it has projected Rs. 70 Lakhs towards Application processing fee for the FY 2022-23 on the basis of application processing fee received in FY 2018-19, FY 2019-20 & 2020-21, which was Rs. 64.90 Lakhs, Rs. 60.25 Lakhs & Rs. 62.50 Lakhs respectively. However, the application processing fee in FY 2021-22 received was Rs 90.65 Lakhs.
39. The Commission observed that the other income has increased from Rs.297.13 Lakhs during FY 2016-17 to Rs. 397.70 Lakhs during FY 2020-21. In view of the above, the Commission has considered Rs. 443 Lakhs as SLDC's other income (as claimed by petitioner) for FY 2022-23 in this order. However, the other income shall be considered and adjusted appropriately while taking true up exercise for FY 22-23.

**True-up of SLDC Tariff Order for FY 2020-21 based on Financial Statements:****40. Petitioner's Submission:****ACTUAL EXPENSES & TRUE UP FOR FY 2020-21 :**

*The expenses towards Employee cost, A&G and R&M for FY 2020-21, shown in forms of the petition for FY 22-23, are on the basis of Financial Statements of SLDC for the FY 20-21. 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 20-21 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	18	1344.26	F4	1344.39	-0.13	Explanation 1
A & G Expenses	21	171.80	F5	176.43	-4.63	Explanation 2
SLDC charges	16	2372.46	F1	1717.44	655.02	Explanation 3

- 1) *The employee cost of Rs. 1344.39 Lakhs mentioned in Form F4 comprises of actual employee cost of Rs. 1344.26 Lakhs and training expenses of Rs. 0.13 Lakhs. Further, the training expense Rs. 0.13 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 21 of financial statement. Therefore, actual Employee Cost of Rs. 1344.39 Lakhs as mentioned in Form F4 is claimed for true up.*
- 2) *The A & G expenses of Rs. 171.80 Lakh mentioned in Note 21 of Financial statement comprises of various A&G expenses of Rs. 171.66 Lakhs, the Banking charges of Rs. 0.01 Lakhs and the Training expenses of Rs. 0.13 Lakhs. However, the Discount to Customers for Timely payment of SLDC Bill of Rs 4.78 Lakhs has not been Considered in Note 21 of Financial Statement and the same has been shown in Note 16 of Financial Statement. The A&G expenses Rs. 176.43 Lakhs shown in form F5 are exclusive of banking charges of Rs 0.01 Lakhs and Training charges of Rs 0.13 Lakhs because the banking charges are shown in Form F8 and training charges are shown in Form F4. However, Discount to Customers for Timely payment of SLDC Bill of Rs 4.78 Lakhs has been shown in Form F5 of the Financial Statement under the Head B (Other Charges)(viii). Therefore, A&G expenses of Rs. 176.43 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. 1717.44 Lakhs shown in Form F1 includes Rs. 305.95 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. 305.95 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (Rs. 305.95 Lakhs) and 50% amount retained for capex (Rs. 305.95 Lakhs). The amount of Rs. 2372.46 Lakhs shown in Note 16 of financial statement include Rs. 611.90 Lakhs towards revenue from total Scheduling & Operating Charges. Further, In Note 16 of Financial Statement, Discount to Customers for Timely payment of SLDC Bill of Rs 4.78 Lakhs is also decrease from Total Revenue. Further, True Up Income of Rs 353.85 Lakhs has been shown in F1. Hence, Net Increase in Note 16 of Financial Statement is works out Rs 655.02 Lakhs (Rs 305.95 Lakhs + 353.85 Lakhs - 4.78 Lakhs). Therefore, Rs. 1717.44 Lakhs as shown in Form F1, is actual earning for FY 20-21 claimed for true up.*

*In view of above, expenses approved in ARR of FY 2020-21 vis -a -vis Actual expenses as per financial statement of FY 2020-21 are summarized below for Reconciliation / True- up in the ARR for FY 22-23.*

**True up of FY 20-21 accounts with FY 20-21 Order : Expenses:**

*( Amount in Lakhs of Rs.)*

<i>Particular</i>	<i>Expenses as allowed in ARR for FY 2020-21</i>	<i>Actual Expenses for FY 2020-21</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>Employee Costs</i>	<i>1527.79</i>	<i>1344.39</i>	<i>183.40</i>
<i>Administration &amp; general Expenses</i>	<i>217.23</i>	<i>176.43</i>	<i>40.80</i>
<i>Repairs &amp; Maintenance Expenses</i>	<i>200.89</i>	<i>104.47</i>	<i>96.42</i>
<i>Interest &amp; Finance Charges</i>	<i>0.00</i>	<i>0.01</i>	<i>-0.01</i>
<i>Total</i>	<i>1945.91</i>	<i>1625.30</i>	<i>320.61</i>

**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 2020-21 was Rs. 387.00 Lakhs , the actual income works out to Rs. 397.90 Lakhs as given below :*

*(Amount in Rs. Lakhs)*

<i>Particular</i>	<i>Income as allowed in ARR for FY 2020-21</i>	<i>Actual income for FY 2020-21</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>50% of Scheduling &amp; Operating Charges.</i>	<i>300.00</i>	<i>305.95</i>	<i>-5.95</i>
<i>Connectivity Charges</i>	<i>12.00</i>	<i>16.25</i>	<i>-4.25</i>
<i>Application Charges</i>	<i>70.00</i>	<i>62.50</i>	<i>7.5</i>
<i>Sub Total</i>	<i>382.00</i>	<i>384.70</i>	<i>-2.7</i>
<i>Other miscellaneous receipts as mentioned in Form F2 (Excluding PSDF Grant (Deferred Revenue))</i>	<i>5.00</i>	<i>13.20</i>	<i>-8.20</i>
<b><i>TOTAL</i></b>	<b><i>387.00</i></b>	<b><i>397.90</i></b>	<b><i>-10.90</i></b>

*Net amount to be reconciled & adjusted in ARR of FY 2022-23 works out to (320.61-(-10.90) ) i.e. Rs. 331.51 Lakhs.*

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

41. It was observed that SLDC submitted its balance sheet and audited accounts for FY 2020-21 along with the petition and also submitted information for true-up of its ARR for FY 2020-21. Note 8 of the balance sheet as on 31.03.2021 shows unbilled revenue of Rs. 216.84 lakhs, which was nil as on 31.03.2020. The reasons for the aforesaid unbilled revenue was sought vide letter No. 852 dated 20/04/2022. In response, by its letter No. 1024 dated 10/05/2022, SLDC submitted that unbilled revenue of Rs. 216.84 Lakhs for FY 2020-21 is related charges to Revision of Scheduling to Long Term customers/Generators. The billing of the same has been done after the end of month. Unbilled revenue for FY 2019-20 has been accounted for in Debtors head instead of Unbilled Revenue head.

The Commission also observed that other miscellaneous receipts for FY 2020-21 have been shown as Rs 13.20 lakhs in the petition. However, note 17 of the balance sheet as on 31.02.2021 shows other income as Rs 50.33 lakhs. Reasons for variation and the correct figures to be considered in the subject petition was sought. In response SLDC submitted that it has considered Rs. 13.20 Lakhs in True up for FY 2020-21 and not considered Rs. 37.13 Lakhs as this income related to PSDF grant. SLDC has not considered Deferred income on PSDF in True-up process as this income was not received on cash basis and accounted this income on the basis of Depreciation charged on assets created through PSDF project. SLDC has also not claimed depreciation in its ARR. SLDC has considered only Rs. 13.20 Lakhs in True-

up Process for FY 2020-21. However, SLDC has showed the differed income on PSDF Grant in Form F-2. Therefore, SLDC requested the Commission to consider the Other Income of Rs. 13.20 Lakhs in True-up for FY 2020-21.

42. The Commission has considered SLDC's submissions and allowed net amount of **Rs. 331.51 Lakhs** against true-up of FY 2020-21 to be reconciled and adjusted in ARR of FY 2022-23 in this order.

**Summary of Annual Revenue Requirement:**

43. Based on all aforesaid analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2022-23 in this order:

**Summary of the ARR as approved by the Commission for FY 2022-23:**

		<b>Amount (Rs. Lakhs)</b>
<b>S. No.</b>	<b>Particulars</b>	<b>As approved by MPERC in this Order</b>
1	Employee Cost	1349.55
2	Administration and General Expenses	238.26
3	Repairs and Maintenance Expenses	231.29
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>1819.10</b>
8	Less: Revenue from other Charges (i.e S&O (50%), Connectivity charges & Application Processing Fee	438.00
9	Less: Other Income	5.00
	<b>Annual Revenue Requirement for FY 2022-23</b>	<b>1376.10</b>
	<b>True-up of ARR for FY 2020-21</b>	<b>(-) 331.51</b>
	<b>Net ARR for FY 2022-23</b>	<b>1044.59</b>

**Allocation of Annual SLDC Charges:**

**Additional submission by the petitioner on Transmission capacity as per MYT order dated 19.05.2021 for FY 2019-20 and for FY 2020-21:-**

44. *It is submitted that SLDC has allotted transmission capacity to Long Term Customers as per MYT order for FY 2016-17 to FY 2018-19 and order on P-70/2016 dated 26.04.2017 in Petition for Levy & Collection of Fee and Charges for FY 2019-20 (P. No. 48/2018) & FY 2020-21 (P. No. 46/2019) and same has been approved by Hon'ble Commission vide order dated 07.03.2019 & 23.11.2020.*

It is to mention that Hon'ble Commission has passed the order dated 19.05.2021 towards MPPTCL's petition for determination of Transmission Tariff for MYT Control period from FY 2019-20 to FY 2023-24. **Due to change in transmission capacity as per MYT order, SLDC has workout short recovery/excess recovery from Long Term Customers for FY 2019-20 & FY 2020-21 and the summary of the same is given below:-**

**(a) For FY 2019-20**

Amount (Rs. Lakhs)

S. No	Particular	East Discom	West Discom	Central Discom	SEZ, Indore	WCR	Total
1	<b>Annual SLDC Charges (Rs. in lakhs)</b>						1375.13
2	Transmission capacity allocated as per MPERC order dated	4857.35	6224.49	5174.34	40	270	16566.18
3	% Allocation	29.32	37.57	31.23	0.24	1.63	99.99
4	<b>Annual SLDC Charges allocated as per MPERC order dt. 07.03.2019 (4)</b>	403.2	516.683	429.512	3.323	22.412	1375.13
5	Transmission capacity as MYT order dated 19.05.2021	5703.02	7003.46	6710.84	55	270	19742.32
6	% Allocation	28.89	35.47	33.99	0.28	1.37	100
7	<b>Annual SLDC charges allocated as per MYT order dated 19.05.21 in above allocation % (7)</b>	397.275	487.759	467.407	3.850	18.839	1375.13
8	<b>(Excess amount)/ Short Recovered (7-4)=8 for FY 19-20</b>	<b>(-) 5.925</b>	<b>(-) 28.924</b>	<b>37.895</b>	<b>0.527</b>	<b>(-) 3.573</b>	<b>0.000</b>

**(b) For FY 2020-21**

Amount (Rs. Lakhs)

S. No	Particular	East Discom	West Discom	Central Discom	SEZ, Indore	WCR	Total
1	<b>Annual SLDC Charges (Rs. in lakhs)</b>						1332.74
2	Transmission capacity allocated as per MPERC order dated	4857.35	6224.49	5174.34	40	270	16566.18

3	% Allocation	29.32	37.58	31.23	0.24	1.63	100
4	<b>Annual SLDC Charges allocated as per MPERC order dated 23.11.2020 (4)</b>	390.771	500.757	416.273	3.218	21.721	1332.74
5	Transmission capacity as MYT order dated 19.05.2021	6505.14	7890.37	7836.94	55	320	22607.45
6	% Allocation	28.77	34.9	34.67	0.24	1.42	100
7	<b>Annual SLDC charges allocated as per MYT order dated 19.05.21 in above allocation % (7)</b>	383.429	465.126	462.061	3.199	18.925	1332.74
8	<b>(Excess amount)/Short Recoverd (7-4)=8 for FY 20-21</b>	(-) 7.342	(-) 35.631	45.788	(-) 0.019	(-) 2.796	0.000

(c) The summary of adjustment of excess amount recovered/short recovered from East Discom, West Discom, Central Discom, & SEZ, Indore and Western Central Railway, Jabalpur with ARR for FY 2022-23 as given below:-

**Adjustment of (Excess Amt)/Short Recovered with ARR 22-23**

Amount (Rs. Lakhs)

S. No	Particular	East Discom	West Discom	Central Discom	SEZ, Indore	WCR	Total
1	<b>SLDC Charges for ARR 2022-23(As filled in Petition Form F-1)</b>	304.777	363.863	359.004	2.542	14.4	1044.590
2	Adjustment of (Excess Amt)/Short Recovered for FY 19-20 with ARR 22-23	(-) 5.925	(-) 28.924	37.895	0.527	(-) 3.573	0.000
3	Adjustment of (Excess Amt)/Short Recovered for FY 20-21 with ARR 22-23	(-) 7.342	(-) 35.631	45.788	(-) 0.019	(-) 2.796	0.000
	<b>Net Amount to be payable for FY 2022-23 (1-2-3)=(3)</b>	291.510	299.308	442.687	3.050	8.035	1044.590

**Commission's Analysis:**

45. Vide Commission's daily Order dated 30<sup>th</sup> March, 2022 in the matter, Respondents were directed to file their reply to the petition within two weeks. However, no such reply was received from any of the respondents.

The Commission observed that SLDC has made additional submission in the present petition regarding adjustment of SLDC charges among the Discoms, SEZ (Indore) and WCR (West Central railway) for FY 2019-20 and FY 2020-21 on the basis of the Transmission capacity for respective years approved in the Commission's Transmission MYT Order dated 19/05/2021 in petition No. 45/2020. Therefore, the aforesaid adjustments should have been claimed in the earlier SLDC Tariff petition No. 28/2021 for FY 2020-21.

In view of the above, the petitioner was asked to furnish reasons for not submitting the information regarding adjustment of SLDC charges for FY 2019-20 and FY 2020-21 in the earlier petition no. 28/2021. The effect of these adjustments on carrying cost and other items of ARR were also sought.

By its letter No. 1024 dated 10/05/2022, SLDC submitted that it has filed the petition No. 28/2021 for Levy & Collection of Fee and Charges for FY 2021-22 on 22.04.2021. SLDC submitted that it could not submit information regarding adjustment as the petition was already got delayed due to Covid-19 and the SLDC, due to oversight, could not submit the additional information on transmission capacity for FY 2019-20 & FY 2020-21. However, there is no change in ARR due to adjustment of SLDC Fee and charges for FY 2019-20 & FY 2020-21.

46. 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 dt. 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 24657.15 MW for FY 2022-23. SLDC has submitted the same transmission capacity in its subject petition for FY 2022-23. Considering the transmission capacity of 24657.15 MW for FY 2022-23 and transmission capacity for previous years, as filed by SLDC, the following allocation of annual SLDC charges is considered for FY 2022-23:

**Annual SLDC Charges for Long - Term Open Access (LTOA) Customers for FY 2022-23**

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>1044.590</b>
2	Long-term allocation of Transmission Capacity (MW)	7194.15	8588.85	8474.15	60.00	340.00		<b>24657.15</b>
3	Annual SLDC charges payable by LTOA customers (Rs. Lakhs)	304.777	363.863	359.004	2.542	14.404		1044.590
4	Adjustment for FY 19-20 with ARR 22-23 (Rs. Lakhs)	(-) 5.925	(-) 28.924	37.895	0.527	(-) 3.573		0.000
5	Adjustment for FY 20-21 with ARR 22-23 (Rs. Lakhs)	(-) 7.342	(-) 35.631	45.788	0.019	(-) 2.796		0.000
6	<b>Net Amount payable for FY 2022-23 (Rs. Lakhs)</b>	291.510	299.308	442.687	3.050	8.035		<b>1044.590</b>
7	Annual SLDC charges payable by LTOA customers (Rs./ MW)							<b>Rs. 4236.459 per MW</b>

**Summary of Fees and Charges:**

47. Vide Commission's letter No. 1114 dated 20/05/2022, SLDC was asked to submit details regarding corresponding charges (connection fee, Operation & Scheduling charges, Revising schedule charges for RE generators & Revising schedule charges for other than RE generators) for FY 2021-22 applicable in other states of the Western Region and for DERC Delhi & CERC Delhi. In response, by letter No. 1194 dated 03/06/2022, SLDC submitted the required information which indicates that in these States both Operation & Scheduling charges and revising schedule charges are much lower than charges of Rs 3000/- applicable in case of MP SLDC. The same is presented at table under para 12(b) of this Order.



48. The Commission considered the documents placed on record by the SLDC and the stakeholders / respondents and the provisions of the Regulations while determining SLDC charges for FY 2022-23. The following table summarizes the fees and charges approved by the Commission for use of SLDC services for FY 2022-23:-

**Applicability and levy of various SLDC fees and charges for FY 2022-23:**

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 4236.459 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.

49. The Fees and Charges determined in this order shall be effective from 1<sup>st</sup> April' 2022 till 31<sup>st</sup> March' 2023. 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' 2022 onwards and shall also provide information to the Commission in support of having complied with this order.

Ordered Accordingly.

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

**(Mukul Dhariwal)**  
**Member**

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

**Place:- Bhopal**

**Dated:- 25<sup>th</sup> July' 2022**