

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
5th Floor, Metro Plaza, Bittan Market, E-5, Arera Colony, Bhopal - 462016



Petition No. 28/2021

PRESENT:

S. P. S. Parihar, Chairman
Mukul Dhariwal, Member
Shashi Bhushan Pathak, Member

IN THE MATTER OF:

Determination of ARR for SLDC Jabalpur for FY 2021-22, Levy and Collection of Fee and Charges by SLDC for FY 2021-22, True-up of ARR for FY 2019-20 and Approval of SLDC's Capital expenditure plan for FY 2021-22 to FY 2025-26.

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. Jaiprakash Power Ventures Ltd. Noida**
- 13. BLA Power Private Ltd., Mumbai**

- Respondents

ORDER

(Passed on this day of 6th December' 2021)

1. This order relates to petition No. 28 of 2021 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as "SLDC") for "Levy & Collection of Fee & Charges by SLDC for FY 2021-22" 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 8th June, 2005 (S.O. 795(E)) in respect of levy and collection of fees and charges for using the transmission systems. As per the order, *"the State Load Despatch Centre may levy and collect such fee and charges from the Licensees using the intra-state transmission system as may be specified by the State Commission"*. Accordingly, SLDC charges are payable by Licensees / users.
4. In exercise of powers under Section 181 (2) (g) of the Electricity Act, 2003, the Commission notified MPERC (Levy and Collection of Fee and Charges by State Load Dispatch Centre) Regulations, 2004 (Revision-1, 2006) as amended from time to time (hereinafter referred to as "SLDC Regulations"). The subject petition is based on the aforesaid Regulations and its amendments. SLDC is required to file a petition, for Fee and Charges to be levied and collected by it, by 31st October every year in accordance to the aforesaid Regulations. Vide letter no. 1681 dated 27/10/2020, SLDC had sought time extension to file the subject petition by 31st December, 2020. Vide Commission's letter no. 1312 dated 12/11/2020, SLDC was allowed to file the subject petition by 31/12/2020. Subsequently vide letter no. 2143 dated 13/12/2020, SLDC submitted that their audited financial statements for FY 2019-20 were not received from the office of CFO, MPPTCL as the preparation of financial statements was delayed due to COVID-19 pandemic. Audited financial statement of MPPTCL and SLDC were under preparation. SLDC requested for grant of extension of time for submission of this petition by 31st January, 2021 or within 15 days from the receipt of updated financial statement of SLDC for FY 2019-20, whichever is later.

Vide letter no. 55 dated 18/01/2021 the Commission considered the SLDC's request and granted time extension for filing the subject petition as sought by SLDC.

5. Vide letter no. 689 dated 22nd April' 2021, the petitioner filed the subject petition for levy and collection of Fee and Charges by SLDC for FY 2021-22. The petitioner broadly submitted the following in the subject petition:

(i) *State Load Dispatch Centre, is the apex body for scheduling and system operation in the State of MP incorporated under Section 31 of Electricity Act 2003. In exercise of the Powers conferred under Section 31(1) of Electricity Act-2003 (Central Act 36 of 2003), the Government of MP vide order No 2489/13/04 dated 17-05-2004 has notified the State Load Dispatch Centre, Jabalpur as apex body to ensure integrated operation of the power system in the state, to be operated by the State Transmission Utility, hereinafter called as STU.*

(ii) *This application for approval of SLDC fee and charges for the year 2020-21 is hereby submitted as per MPERC (Levy and Collection of Fee and Charges by State Load Dispatch Centre) Regulations, 2004 Revision-1, 2006 (Third Amendment) notified on 19th Nov 2010.*

6. With the above contention, the petitioner filed the following Annual Revenue Requirement for FY 2021-22:

Total Fee & Charges of SLDC:

The total revenue requirement of SLDC for FY 2021-22 is as under:

| S. No. | Particulars | Amount (Rs. Lakh) |
|---------------|-------------------------------------|------------------------------|
| 1 | Employee Cost | 1422.17 |
| 2 | Administration and General expenses | 235.22 |
| 3 | Repairs and Maintenance Expenses | 228.29 |
| 4 | Depreciation | 0 |
| 5 | Interest and finance charges | 19.09 |
| 6 | Return on equity/Investments | 0 |

| | | |
|---|--|----------------|
| 7 | Provision for Income Tax | 0 |
| Total | | 1904.77 |
| 8 | Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee | 436.00 |
| 9 | Less: Other Income | 5.00 |
| Net Revenue Requirement for FY 2021-22 | | 1463.77 |

7. Further, SLDC has also filed True-up of ARR for FY 2019-20 on the basis of Financial Statements of SLDC for the FY 2019-20.

Expenses:

Amount (Rs. Lakhs)

| Particular | Expenses as allowed in ARR for FY 2019-20 | Actual Expenses for FY 2019-20 | Differences (Allowed-Actual) to be reconciled |
|-----------------------------------|--|---------------------------------------|--|
| Employee Costs | 1315.36 | 1194.04 | 121.32 |
| Administration & General Expenses | 242.83 | 156.28 | 86.55 |
| Repairs & Maintenance Expenses | 196.62 | 85.60 | 111.02 |
| Interest & Finance Charges | 0.00 | 0.01 | 0.01 |
| Total | 1754.81 | 1435.93 | 318.88 |

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 2019-20 was Rs. 252 Lakhs, the actual income works out to Rs. 402.44 Lakhs as given below:

Amount (Rs. Lakhs)

| Particular | Income as allowed in ARR for FY 2019-20 | Actual income for FY 2019-20 | Differences (Allowed-Actual) to be reconciled |
|--|--|-------------------------------------|--|
| 50% of Scheduling & Operating Charges. | 175.00 | 322.10 | -147.10 |
| Connectivity Charges | 12.00 | 15.50 | -3.50 |
| Application Charges | 60.00 | 60.25 | -0.25 |
| Sub Total | 247.00 | 397.85 | --150.85 |
| Other miscellaneous receipts as mentioned in Form F2 | 5.00 | 4.59 | 0.41 |
| TOTAL | 252.00 | 402.44 | -150.44 |

Net amount to be reconciled & to be adjusted in ARR of FY 2021-22 works out to Rs. (318.88 – (-150.44 Lakhs)) i.e. Rs. 469.32 Lakhs.

8. SLDC also submitted the following Capex. Plan for the period from FY 2021-22 to FY 2025-26:

(Rs. in Lakhs)

| S. No. | Description of Project/ Scheme/ work | Proposed requirement of fund in Rs Lakhs for the year | | | | |
|----------|--|---|---------------|---------------|---------------|---------------|
| | | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| A | Capital works in progress & likely to be completed in next Financial years | | | | | |
| 1 | Weather Monitoring Station Comprising of RTU & Weather Sensors | 8.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Load Forecasting System at SLDC | 18.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Replacement of fire extinguishers at SLDC | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Providing Split Air conditioners at SLDC and Backup SLDC | 8.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 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 |
| B | Proposed Capital works | | | | | |
| 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 |
| 2 | Implementation of Automatic Generation Control (AGC) at SSTPP, stage-I, Khandwa | 60.00 | 60.00 | 58.00 | 0.00 | 0.00 |
| 3 | Implementation of Security Constraint Economic Dispatch (SCED) at SLDC | 30.00 | 47.25 | 0.00 | 0.00 | 0.00 |
| 4 | Extension of Control room to accommodate new SCADA/EMS system | 2.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| 5 | Construction of new conference room | 25.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| 6 | Cutting of Rocks & levelling near the boundary wall to develop the premises. | 7.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Fire hydrant arrangement, drilling of tube well, installation of pump etc. | 0.00 | 30.00 | 30.00 | 0.00 | 0.00 |
| 8 | Construction of Retaining wall around SLDC Building & construction of pathways around SLDC building. | 20.00 | 25.00 | 0.00 | 0.00 | 0.00 |
| 9 | Replacement of fire alarm system at SLDC | 5.00 | 6.00 | 0.00 | 0.00 | 0.00 |
| 10 | Providing peripheral lighting arrangement around SLDC building | 0.00 | 0.00 | 5.00 | 0.00 | 0.00 |
| 11 | Office Equipment at SLDC & backup SLDC & Sub SLDC | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 12 | Construction, Extension and Renovation of Parking space at SLDC Jabalpur | 0.00 | 0.00 | 5.00 | 0.00 | 0.00 |
| 13 | Providing CCTV based surveillance system at Backup SLDC Bhopal | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | Construction of two wheeler & four wheeler Parking Space at Sub-LDC Bhopal | 8.00 | 7.00 | 0.00 | 0.00 | 0.00 |
| 15 | Miscellaneous requirement for upgradation of SCADA/EMS, wideband equipment for URTDSM/REMC project | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 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 |
| 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 |
| 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 |
| 19 | Control Panel for Distribution of Auxiliary Power Supply System | 0.00 | 3.00 | 4.00 | 0.00 | 0.00 |
| | Total | 232.67 | 481.25 | 737.00 | 675.00 | 105.00 |

9. The petitioner prayed the following in the subject petition:
- i. *Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2021-22 as Rs. 1463.77 Lakhs towards revenue expenditure.*
 - ii. *Accept and Approve Capex Plan for FY 2021-22 to FY 2025-26.*
 - iii. *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.*
 - iv. *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.*
 - v. *Pass any other relief which Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances off the case.*
 - vi. *Allow SLDC to raise Bill of First Installment of SLDC Fee and Charges for FY 2021-22 on provisional basis as per MPERC Order dated 23.11.2020 for FY 2020-21.*
10. Vide its letter no. 759 dated 07/05/2021, SLDC submitted as under:
- “The submission of Petition for Levy & Collection of Fee and Charges by SLDC, Jabalpur for FY 2021-22, got delayed due to corona pandemic and the same is now submitted to Hon'ble Commission through email dated 22.04.2021. However, due to ongoing lockdown due to Corona pandemic, the hearing/scrutiny of petition for fees and charges for SLDC for FY 2021-22 is further expected to be delayed.*
- In view of above, it is requested that Hon'ble Commission may kindly allow SLDC to Collect SLDC Fee and & Charges for FY 2021-22, provisionally as per charges approved for FY 2020-21 vide order dated 23.11.2020. Adjustment shall be done in accordance with charges approved by the Hon'ble Commission for the FY 2021-22”.*
11. Vide order dated 04/06/2021, the SLDC was allowed to continue to collect the same fee and charges as approved by the Commission vide order dated 23/11/2020 in P. No. 46/2019 for FY 2020-21, on provisional basis subject to retrospective adjustment of the same after determination of fee and charges to be collected by SLDC during FY 2021-22. Carrying cost on differences in charges shall be applicable as per the Regulations.
12. Motion hearing in the subject matter was held on 6th July' 2021. Vide Commission's order dated 7th July' 2021, the petition was admitted and the petitioner was directed to serve copy of the petition on all the respondents. The respondents were also directed to file their response on the petition by 10th August' 2021 and the case was fixed for hearing on 24th August, 2021.

13. At the hearing held on 24th August, 2021, the Commission observed the following:

- (i) Vide daily order dated 07/07/2021, the Respondents were directed to file their replies to the petition by 10/08/2021. Vide letter No. 1538 dated 13/08/2021, the petitioner submitted that it has served copy of the petition on all Respondents on 15/07/2021. Vide letter No. 369 dated 17/08/2021, MPPMCL (Respondent) has filed reply to the subject petition.
- (ii) Vide Commission's letter dated 12/08/2021, the information gaps and the requirement of additional details and documents in the subject petition were communicated to the petitioner seeking its reply by the 31st August, 2021.

In view of the above, the Commission decided that the case shall be fixed for public hearing on receipt of the required information from the petitioner.

14. By letter no. 1637 dated 31/08/2021, SLDC submitted reply to the issues raised vide Commission's letter No. 1161 dated 12/08/2021. The response of SLDC to each issue is as given below:

(i) Issue:

In para 7.2 of the petition, SLDC has stated that 5 employees shall retire from services during FY 2021-22. However, in form F-4, the total number of officers & employees are same as 96 & 152 in FY 2020-21 & FY 2021-22, respectively. Therefore, the petitioner is required to verify and confirm that salary of the retiring employees has not been considered after the scheduled date of their retirement. SLDC is also required to submit details of the total employees with their Salary.

SLDC's Response:

*It is submitted that presently SLDC has considered the salary of retired employee for the whole year because it is assumed that the employee/officer shall be posted against retired employee. The projection of Employee cost for FY 2021-22 along with employee wise salary is enclosed herewith as **Annexure-I**.*

(ii) Issue:

As mentioned in Form F-4, the company's contribution for NPS will increase from Rs 5.18 lakhs in FY 2019-20 to Rs. 23.58 lakhs in FY 2020-21. Details of the cases resulting in this increase be submitted.

SLDC's Response:

It is submitted that projection towards contribution for NPS has been considered on the basis of Basic salary and Dearness Allowance of Regular company cadre employee. The

details of projection of contribution for NPS towards company cadre employee is given in Annexure-I. Further, it is submitted that due to mapping problem of Employee's Cost Center in ERP, the expenses are showing less as compared to actual expenses in FY 2019-20 which would have been approximately of Rs 19.20 Lakhs.

(iii) Issue:

The reasons for substantial increase in other terminal benefits from Rs. 0.69 lakhs to Rs. 53.65 lakhs be also submitted.

SLDC's Response:

The projection towards terminal benefit (EL encashment on retirement) is considered on the basis of five no. officer/employee who is retiring during the FY 2021-22. The list of Officer/employee along with calculation of EL encashment is enclosed herewith as Annexure- II.

(iv) Issue:

In Para 4 (b) (ii) of the methodology, SLDC has considered rate of DA as 31% from July' 2021 and 34% from January' 2022. Presently the Government of M.P. is paying DA at the rate of 12 % only. Therefore, the petitioner is required to submit the reasons for not projecting the DA at present rate and to claim subsequent increase in the true-up of petition.

SLDC's Response:

It is submitted that SLDC has considered DA rate 31% from July 2021 and 34% from January-2022 on the basis of Department of Expenditure, Ministry of Finance, Government of India's office memorandum dated 23.04.2020 where as it was mention that Dearness Allowance and Dearness Relief as effective from 1st January 2020, 1st July-2020 and 1st January 2021 will be restored prospectively and will be subsumed in the cumulative revised rate effective from 1st July-2021. It is assumed that State Govt will pay DA as per Central Govt employee. Hon'ble commission is requested to approve the fees and charges as per the proposed DA rate. However, while true up actual applicable DA rate shall be considered.

(v) Issue:

In Para 5 (x) of the methodology, SLDC has submitted that electricity expenses for SLDC offices at Jabalpur and Bhopal have been considered but the projection of electricity expenditure of sub SLDC Indore has not been considered. Details of the actual expanses of all three offices for FY 2020-21 be submitted along with reasons for increase in these charges from Rs. 66.98 lakhs in FY 2019-20 to Rs. 91.84 lakhs projected for FY 2021-22.

SLDC's Response:

It is submitted that SLDC has only considered electricity charges of Rs 91.84 Lakhs for FY 2021-22 only for Jabalpur and Bhopal office as the Sub-LDC Indore office is under

*compound of 400 KV substation, MPPTCL. The electricity charges of Sub-LDC, Indore office is not paid separately and hence not considered in petition. The details of actual expenditure of electricity charges for both the offices for FY 2020-21 are given as **Annexure- III**. Further, it is submitted that actual expenditure of Rs 66.98 Lakhs for FY 2019-20 is only for SLDC Jabalpur office as no adjustment of electricity charges of Sub-LDC, Bhopal is done by MPMKVVCL, Bhopal till Dec 2019 in FY 2019-20. As mentioned in Annexure-III, actual expenditure of Electricity charges of SLDC Jabalpur and SUB-LDC, Bhopal office is Rs 85.03 Lakhs for FY 2020-21 & therefore projected charges for FY 21-22 i.e. Rs. 91.84 is only with marginal increase as compared to actual charges for FY 20-21.*

(vi) Issue:

Reasons for increase in legal charges form Rs. 0.53 lakhs in FY 2019-20 to Rs. 10 lakhs in FY 2021-22 may also be submitted.

SLDC's Response:

The projection of legal charges has been considered due to various court cases pending in MPERC, Appellate Tribunal and High Court. The projection towards legal fee has been taken on the basis of lump sum basis and on the basis of 18 number of cases as on March 2021.

(vii) Issue:

As mentioned in form F-5, the actual consultancy charges were nil during FY 2019-20. However, these charges are projected as Rs. 10 lakhs for FY 2021-22. The reasons for same is also required to be submitted by the petitioner.

SLDC's Response:

The projection of Rs. 10.00 lakhs have been made towards consultancy charges for FY 2021-22 considering the probable requirement of consultancy services for Renewal of ISO 27001:2015, ISO 9001:2008, ISO 14000 certification of SLDC, implementation of cyber security measures as per the recommendation of Computer Emergency Response Team (CERT-In) and National Cyber infrastructure Identification and protection Centre (NCIIIPC), for Energy Audit & preparation of scheme for future project like WAMS/SCADA system/master communication system, security audit services and for renovation & modernization of SLDC building, various civil works like construction of retaining wall etc. All these works are not taken up earlier and accordingly lump sum provision of Rs. 10.00 lakhs towards consultancy charges are considered.

(viii) Issue:

As mentioned in form F-6, the repair and maintenance expenditure on plant and machinery was Rs. 69.92 lakhs in FY 2019-20. This has been projected to increase to Rs. 151.27 lakhs in FY 2021-22. The R & M expenditure for civil works is expected to increase from nil to Rs. 45 lakhs during the same period. SLDC is required to submit the reasons for this substantial increase in projections for R & M expenditure.

SLDC's Response:

With reference to higher projection of R&M charges for FY 2021-2022, it is to submit that the approved R&M charges for FY 2020-21 is Rs. 200.89 Lakhs and projected R&M charges of Rs 228.29 lakh submitted for FY2021-2022 is just marginally higher than the approved R&M charges for previous year. 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. 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 shall commence from 01 April 2021 & 15-08-2021 respectively. The PSS/E software maintenance and support cost shall also require to be paid first time during the FY 2021-22. In addition to this it is also to mention that in FY 2020-2021, 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, improvement/strengthening of sanitation work, water supply system, development of garden, land scaping, renovation of false flooring, aluminum partition etc are also to be taken up in 2021-22. The expenditure towards civil works is considered based on the requirement received from civil section. The details of Repairs & Maintenance Expenditure for Five years is enclosed herewith as Annexure- IV.

(ix) Issue:

As mentioned in form F-8, the actual expenses on interest on working capital loans was nil during FY 2019-20. However, these are projected as 19.09 lakhs for FY 2021-22. The petitioner is required to submit details of actual working capital finance availed by SLDC and the reasons for projected expenditure on interest of working capital loans.

SLDC's Response:

It is submitted that MPERC (Levy & Collection of SLDC fee & charges) Regulation-2004, 9.9 (ii) provides that IWC shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or exceeded the working capital loan based on normative figures. The IWC amount of Rs. 19.09 Lakhs has been projected in ARR in accordance with above regulation.

*Looking to the availability of capex fund and proposed capital works at SLDC, there is no shortage of fund. **No working capital is proposed to be raised during FY 2021-22.***

(x) Issue:

As mentioned in Form F-1, the actual revenue from fee and charges was Rs. 1375.13 lakhs during the FY 2019-20. This is expected to reduce to Rs. 994.45 lakhs during FY 2021-22. The effect of the reduction in revenue on the working of SLDC, if any, be submitted.

SLDC's Response:

It is submitted that SLDC has claimed Gross ARR of Rs 1904.77 Lakhs and after deduction of Other Income of Rs 441/- Lakhs and Rs 469.32 Lakhs towards True Up charges for FY 2019-20. SLDC has claimed Net ARR of Rs 994.45 Lakhs for FY 2021-22. As compare to FY 2019-20, SLDC has claimed Gross ARR of Rs 1773.38 Lakhs after deduction of other income of Rs 252.00 Lakhs and Rs 128.18 Lakhs towards True Up charges for FY 2017-18. Hence as comparison to Gross ARR, there is increase of Rs 149.96 Lakhs. It is here to mention that as per directives of Hon'ble commission, SLDC has raised the bills for SLDC fees and charges to the licensees on the basis of previous year fees and charges order of Commission. Accordingly, effect of reduction in revenue on functioning of SLDC is not expected. However, it is submitted that, if there is any revenue gap is observed during FY 2021-22, the same may be claimed during true up.

(xi) Issue:

Form F-1 also shows that the application processing fee for STOAC is projected to remain constant at Rs. 70 lakhs. The petitioner is required to submit the reason for not projecting any increase in revenue from application processing fee.

SLDC's Response:

It is submitted that SLDC has projected Rs. 70.00 Lakhs towards Application processing fee for the FY 2021-22 on the basis of application processing fee received in FY 2019-20 & FY 2020-21, which is Rs. 60.25 Lakhs and Rs. 62.50 Lakhs respectively. The projected application processing fee of Rs 70.00 Lakhs for FY 2021-22 is much higher than the actual application fees received in last two years.

(xii) Issue:

In Para 7.10 of the petition a provision for other income of Rs. 5 lakhs has been mentioned. As mentioned in form F-2, the other income was Rs. 41.72 lakhs during FY 2019-20. The reasons for reduction in projections for other income be submitted.

SLDC's Response:

It is submitted as mentioned in From F2, other income of Rs. 41.72 Lakhs during the FY 2019-20 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. So, after deducting of Rs 37.13 lakhs (Deferred Income on PSDF

grant) from total Rs 41.72 Lakhs, net other income is works out to Rs 4.59 lakhs for FY 2019-20 and the same is considered in True Up for FY 2019-20 at page no. 13 of the Petition. So that, SLDC has not considered Deferred income on PSDF Grant for FY 2021-22 as other Income.

(xiii) Issue:

The balance sheet shows that CWIP has exceeded Rs. 1.67 Crores for last 2 years. The petitioner is required to submit the efforts made by it to capitalize these assets.

SLDC's Response:

It is submitted that CWIP amounting to Rs 1.67 Crore is related to civil works carried out at SLDC building by civil department of MPPTCL. SLDC is constantly perusing Civil department, MPPTCL to arrange to provide the annexure-G for the completed works. SLDC once again requested to civil department vide this office UO Note No. 183 dated 18.08.2021 to prepared the Annexure-G. The copy of the correspondence is attached herewith as Annexure-V.

(xiv) Issue:

As mentioned in Note 7 of the Balance sheet, the Balances with Bank has increased from Rs 3.02 Cr on 31/03/2019 to Rs 135.97 Cr on 31/03/2020. The petitioner is required to submit the reasons for this sudden increase and its impact on the ARR items.

SLDC's Response:

It is submitted that increase in Bank balance of Rs 3.02 Cr to Rs 135.97 Cr as on 31st March 2020 is due to the DSM Pool Bank Account of Rs 133.35 Cr as on 31st March-2020 which was last year showing in HQ Account. Further, it submitted that SLDC is maintaining the DSM/RE_DSM/REC Pool fund account as per Balancing & Settlement Code 2015 and their amendments. It is submitted that DSM/RE-DSM/REC liability is meet out from amount receivable from entities towards DSM/RE-DSM/REC charges. Hence there is no impact of increased balance due to DSM pool account on the ARR of SLDC. As against DSM Pool Bank Balance of Rs 133.35 Cr, DSM pool fund account of Rs 133.77 Crore was mentioned in Note 13 of Balance Sheet under the head "Liability for DSM/RE-DSM/REC Pool Fund A/c".

(xv) Issue:

As mentioned in Note 11 of the Balance sheet, the other equity has increased from Rs. 15.42 Cr. to Rs. 19.61 Cr. during FY 2019-20. The petitioner is required to submit copy of documents in support of the addition in Equity during the year.

SLDC's Response:

It is submitted that other equity comprises of Reserve & Surplus. Further, it is submitted that per GoMP notification no. 292 dated 12.06.2008 regarding Final opening balance sheet of MPPGCL, MPPTCL Discoms and residual MPSEB, no equity has been allotted to SLDC. The increase in other equity from Rs 15.42 Cr to Rs 19.61 Cr during the

FY 2019-20 is due to increase of comprehensive income for the period of Rs 4.19 Cr as mentioned in Profit & Loss Statement for year ended 31st March 2020.

(xvi) Issue:

Liability for taxes is shown as 103.06 Lakhs as on 31st March 2020 in Note 14 of the balance sheet. This was only Rs. 1.25 lakhs as on 31st March 2019. The reasons for increase in liability for taxes be submitted along with the documents.

SLDC's Response:

*It is submitted that liability for taxes is shown as Rs 103.06 Lakhs as on 31st March 2020 in note 14 of the balance sheet as compare to Rs 1.25 Lakhs for FY 2018-19 is due to payment of Taxes of SLDC has been carried out through Other RAO. It is submitted that the payment of taxes has been carried out through Net Banking for which bank account has been opened at RAO, Jabalpur and HO. The payment posting will be **rectified** before Finalization of Accounts for FY 2020-21.*

(xvii) Issue:

Revenue from operations is shown as Rs. 1772.98 lakhs for FY 2019-20 in form F-1. However, the profit and loss account for FY 2019-20 shows revenue from operations of Rs. 1863.99 lakhs for FY 2019-20. The petitioner is required to explain the reasons for this discrepancy.

SLDC's Response:

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 1772.98 Lakhs shown in Form F1 includes Rs 322.10 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 322.10 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (Rs 322.10 Lakhs) and 50% amount retained for capex (Rs 322.09 Lakhs). The amount of Rs 2090.17 Lakhs shown in Note 16 of financial statement include Rs 644.19 Lakhs towards revenue from total (100%) Scheduling & Operating Charges. Further, In Note 16 of Financial Statement, Discount to Customers for Timely payment of SLDC Bill of Rs 4.90 Lakhs is also decrease from Total Revenue and Rs (-) 226.17 Lakhs True Up charges for FY 2018-19 has also decrease from Total Revenue. Hence, Net Increase in Note 16 of Financial Statement is works out Rs 91.01 Lakhs (Rs 322.10 Less Rs 4.90 Lakhs Less Rs 226.17 Lakhs). Therefore, the amount of Rs 1772.98 Lakhs as shown in Form F1, is actual earning for FY 19-20 claimed for true up.

(xviii) Issue:

Table on page 13 of the petition mentions other miscellaneous receipts for FY 2019-20 as Rs. 4.59 lakhs. A chart tallying these receipts with the information filed in form F-1 and F-2 is required to be submitted.

SLDC's Response:

*It is submitted that Miscellaneous receipt of Rs 4.59 Lakhs as mentioned in page 13 of the petition is actual receipt towards Interest on Fixed deposit, 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 these income are not received on cash basis.** So, after deducting of Rs 37.13 lakhs (Deferred Income on PSDF grant) from total Rs 41.72 Lakhs as mentioned in Form F-2, net other income is works out to Rs 4.59 lakhs for FY 2019-20 and the same is considered in True Up for FY 2019-20 at page no. 13 of the Petition.*

(xix) Issue:

In Para 7.8 of the petition, five years rolling capex plan is mentioned as Annexure CP-1. This annexure CP-1 shows that replacement of SCADA /EMS system will require capex of Rs. 250 lakhs during FY 2020-21 and Rs 600 lakhs each during FY 2023-24 and 2024-25. Details of the work order and other documents in justification of these works be submitted by the petitioner.

SLDC's Response:

*The replacement of existing SCADA/EMS system of SLDC Jabalpur, Backup SLDC Bhopal & Sub-LDC Indore is planned along with the replacement of SCADA/EMS system of WRLDC Mumbai and other SLDC of Western Region. The SCADA/EMS system is required to be replaced to meet out requirement of integration of more EHV Sub Stations/Power Stations due to expansion in grid, avail benefit of new technologies, to enhance performance due to enhanced system sizing, enhanced historical retrieval, cyber security requirements, necessity to incorporate latest protocols etc. The replacement of SCADA/EMS system is planned jointly by WRLDC and WR states through POSOCO as consultant, for which an agreement between SLDC, MPPTCL and POSOCO is signed in January 2021. The copy of the agreement is attached herewith as **Annexure-VI**. As per the agreement, the technical specifications and Detailed Bill of Quantity (BOQ) shall be prepared jointly by POSOCO and owner states and after finalization of BOQ the POSOCO will submit the cost estimate of the project and time schedule of activities. **At present, the finalization of specification and BOQ is under progress.** The actual cost estimate along with time schedule of project shall be provided by POSOCO only after finalization of detailed project report. However, SLDC further requested POSOCO to provide cost estimate and time schedule of project. However, POSOCO vide email dated 27-08-2021, replied that the cost estimate and time*

schedule of project shall be provided only after finalization of project DPR. The tentative cost estimate and fund requirement mentioned in Capex is on the basis of past project cost and expected execution time based on past projects, which is enclosed herewith as Annexure-VI(A).

(xx) Issue:

In Annexure CP-1, year wise total has been mentioned but the projects / works wise total for each work for the five year period has not been mentioned. The petitioner is required to submit work wise totals also in the annexure.

SLDC's Response:

*The scheme wise/works wise of total cost of the project is enclosed herewith as **Revised Annexure CP-1**.*

(xxi) Issue:

SLDC is also required to submit the total cost of each of the 19 projects/schemes/works mentioned in Annexure CP-1 clearly showing the information in 4 parts specifically; total cost of the project, the expenditure already incurred on the project till 31st March 2021, total expenditure expected to be incurred during the five year of the proposed capex plan and the expected expenditure on these projects expected to be incurred after 1st April 2026.

SLDC's Response:

The scheme wise/works wise of total cost of the project in 4 parts is enclosed herewith as Annexure-VII.

(xxii) Issue:

In para 4 on page 98 of the petition SLDC has mentioned cost benefit analysis in brief. The petitioner is required to submit detailed cost benefit analysis for the three large projects costing over Rs. 50 lakhs each.

SLDC's Response:

The detailed cost benefit analysis of large projects costing over Rs 50.00 Lakhs are enclosed herewith as Annexure-VIII.

(xxiii) Issue:

As mentioned in table on page 97 of the petition, the Capex requirement for FY 2020-21 was Rs 3.17 Lakhs only. It is observed that in SLDC Tariff Order for FY 2020-21 the projected expenditure was Rs 189.00 Lakhs. The petitioner is required to submit the reasons for low achievement of less than 2 %.

SLDC's Response:

It is submitted that while filing the Petition for SLDC Fee and Charges for FY 2020-21, SLDC has considered major work Load Forecasting System at SLDC (Rs 21.00 Lakhs), Implementation of Automatic Generation Control (AGC) at SSTPP, state-I, Khandwa (Rs 89.00 Lakhs) & Implementation of Security Constraint Economic Dispatch (SECD)

*system at MP SLDC (Rs 30.00 Lakhs). It is submitted that work related to Implementation of AGC and implementation of SECD was **not started in FY 2020-21 due to Covid pandemic** and pending notification from Hon'ble Commission regarding SECD and the payment towards Load Forecasting System was not made during the FY 2020-21. So that actual booking is less than projected.*

(xxiv) Issue:

Further, it is observed that in para 25 to 29 of the SLDC's tariff Order for FY 2020-21 issued by the Commission on 23/11/2020 (in petition No. 46/2019), SLDC was directed to comply with the provisions of Regulation 10.3 of the MPERC (Levy and Collection of fee and charges by SLDC) Regulations, (Revision – I), 2006 and to ensure that Capex fund is transferred to the Capex fund bank account. However, in Para 7.8 of the petition, it is stated the Opening Balance is yet to be transferred. The compliance report is not enclosed with the subject petition. The petitioner is required to submit a compliance report in the matter along with the reasons for delay in compliance, if any.

SLDC's Response:

It is submitted SLDC has taken up the matter with Finance section of MPPTCL towards transfer the Opening balance of Capex Fund, in this regard finance section has informed that they have transferred the opening balance of Rs 1311.91 Lakhs in to SLDC Capex Bank Account with Union Bank of India on dated 19.08.2021. Further, it is informed by finance section that the delay was mainly due to delay in earmarking funds for transfer this account and it was also mention that there was never a constraint in capital expenditure due to no transferring funds to SLDC Capex Account. The copy of SLDC Capex Bank account is enclosed here with as Annexure- IX.

(xxv) Issue: Draft public notice be submitted.

SLDC's Response:

Draft public notice in Hindi & English on the gist of the petition is enclosed herewith.

15. Vide letter No. 369 dated 17/08/2021, MPPMCL (Respondent) has filed reply to the subject petition. Vide letter No. 2146 dated 25/11/2021, SLDC submitted its response on the issues raised by MPPMCL. The details of the issue and the response are as under:

(a) Issue:

“Regulation 10.3 of MPERC (Levy & Collection of Fee and Charges by SLDC) Regulations, (Revision-1), 2006 mandates the Petitioner to maintain a separate account for such earnings and disclose the details of investment made to the Commission at the time of determination of its annual revenue requirement. The Petitioner has submitted that on several occasions it has requested the M P Power

Transmission Company Ltd. to transfer the Opening Balance of the Capex Fund as on 01-04-2019 amounting to Rs. 1311.91 lakhs. However, the said Opening Balance could not be transferred in favour of the Petitioner till date. Therefore, in order to meet out the objectives of the said Regulations, it is submitted that an indulgence of Hon'ble Commission may be necessary. Further, the Petitioner, irrespective of the transfer of said amount in its favour, would also need to disclose as to in which account it is maintaining the present earnings, post 01-04-2019, and disclose the details of its investments”.

SLDC's response:

The MPPTCL has transferred to Rs 13.11 Crore to SLDC Capex Fund Bank (With Flexi Fix Deposit) account on dated 19.08.2021. The details of Capex fund for FY 2019-20 have already been mention in Petition page No. 97. Further, Capex fund for FY 2019-20 & FY 2020-21 shall be transferred after reconciliation in SLDC Capex Fund Bank.

(b) Issue:

“The Petitioner has projected its Earnings from Open Access Charges at Rs. 436 lakhs at 50% of the total receipts. The said projection is highly down-sized and without reasonable basis. The Petitioner may elaborate and explain the basis and assumption in its arriving at such a down-sized figure for prudence check by Hon'ble Commission”.

SLDC's response:

“It is to mention that SLDC has projected income from Open Access Charges on the basis of actual income received on for current year. Further, it is to mention that SLDC has projected Open Access charges on higher size as compare to FY 2020-21. SLDC has projected Rs 436 Lakhs for FY 2021-22 and while in FY 2020-21, SLDC has projected Rs 382 Lakhs”.

(c) Issue:

“The Petitioner has not disclosed sufficient information in the Forms No. T1a to T1c as several required information has been left as blank in them. For a proper prudence check, the Petitioner ought to supply completely filled up copies of said Forms”.

SLDC's response:

“It is to mention that all the necessary information has been filled in form No. T1a to T1c, submitted also with the petition”.

(d) Issue:

“In relation to Payment of Statutory Taxes, Duties, etc., the Petitioner has submitted that some of the Open Access Customers have paid Application Processing Fee & Scheduling & Operating Charges after deducting the TDS (Income Tax Deducted at Source) and the amount of such TDS is not claimed by the

Petitioner. It is submitted that the Petitioner should claim such TDS as it leads to loss of revenue. Accordingly, the amount recovered under the head of Application Processing Fee & Scheduling & Operating Charges should be correctly accounted for as the sum of such amount plus TDS amount. Subsequently, the said TDS amount should be properly accounted for in Income Tax Payable by the Petitioner or a refund / adjustment of the same be claimed, as the case may be, in case Income Tax to the extent of said amount is not payable by the Petitioner”.

SLDC’s response:

It is to mention that revenue has been accounted on Gross amount (Without deducting TDS amount) and TDS amount has been accounted in separate Account Code and the SLDC has considered the Gross amount for True Up process.

The Commission has considered the issues raised by the respondent and the reply submitted by the petitioner, during analysis of this Order.

16. It was observed that the reply on several issues was lacking clarity therefore, vide Commission’s letter No. 1366 dated 16/09/2021, all such issues were communicated to the petitioner seeking its response. In response, vide letter no. 1863 dated 29/09/2021, SLDC has submitted the petition reducing its claim for ARR and incorporating the required amendments. Further, vide letter no. 524 dated 01/10/2021, SLDC submitted issue wise reply. The details of the issue and SLDC’s response is as under:

(a) **Issue:**

Annexure I & II submitted by SLDC shows that 5 employees in the rank of JE / peon shall retire during FY 2021-22. It is observed that new employees, whenever hired, shall join at starting of scales and hence at much lower salary. SLDC has claimed Salary & terminal benefits for these 5 employees also. In view of above SLDC is required to claim salary till the date of retirement only and to submit the revised claim accordingly.

SLDC’s response:

The employee cost is revised and the Salary of employee retiring in FY 2021-22 is considered up to the date of their retirement. The Annexure-1 & Form F-4 is now revised and submitted in amended petition.

(b) **Issue:**

SLDC pays salary and DA as per State Government notifications. However, it has claimed DA as per Central Government notifications. Hence, SLDC is required to revise its claim in view of applicable State Government notifications.

SLDC's response:

The rate of DA is revised and now DA @ 12% as prevailing in State Government is considered in amended petition. The same has been mentioned in point (ii) at page no. 18 of amended Petition and in Form F-4 of the amended Petition.

(c) Issue:

SLDC has submitted that no working capital is proposed to be raised during FY 2021-22. In view of the above, SLDC may revise its claim for Interest & Finance charges, to reduce its effect in the true-up amount petition for FY 2021-22 to be filed after completion of the financial year.

SLDC's response:

It is submitted that SLDC has not considered interest on Working Capital in Revised Petition. The same has been mentioned in Para no. 7.7 at page no. 8 of the amended Petition.

(d) Issue:

Vide its letter under reference (ii), SLDC has submitted amended Annexure CP-1. Further amendments shall be done in compliance of the above mentioned directions. In view of the above, SLDC is required to submit a copy of the amended petition in hard and soft copy along with latest updated information.

SLDC's response:

It is submitted that Amended Annexure-CP-1, mentioning Scheme Wise/Work wise of total cost of the projects is now mentioned in page no 63 of the amended Petition.

(e) Issue:

The approved public notice be published in leading Hindi & English newspapers within three days and report compliance to the Commission.

SLDC's response:

The approved public notice has been published in two Hindi newspapers (Nai Duniya – Indore) and (Dainik Bhaskar - Jabalpur) and one English newspaper (Central Chronicle – Bhopal) on 18/09/2021. The copy of public notice published in newspaper is enclosed.

(f) SLDC's Prayer:

It is requested that Hon'ble Commission may kindly accept amended petition and approve SLDC Fee & Charges for FY 2021-22.

17. It was observed that in reply to the Commission's observations, SLDC has reduced its claim for some items of ARR. The net ARR claimed for FY 2021-22 has reduced from Rs 994.45 Lakhs to Rs 811.40 Lakhs. A chart showing the ARR claimed by SLDC in the original petition as compared to the ARR claimed in the amended petition is as under:

Amount (Rs. Lakhs)

| S. No. | Particulars | ARR claimed in original Petition | ARR claimed in amended Petition |
|---------------|---|---|--|
| 1 | Employee Cost | 1422.17 | 1258.21 |
| 2 | Administration and General Expenses | 235.22 | 235.22 |
| 3 | Repairs and Maintenance Expenses | 228.29 | 228.29 |
| 4 | Depreciation | 0 | 0 |
| 5 | Interest and finance charges | 19.09 | 0 |
| 6 | Return on equity/Investments | 0 | 0 |
| 7 | Provision for Income Tax | 0 | 0 |
| | Total | 1904.77 | 1721.72 |
| 8 | Less: Revenue from other Charges (i.e Scheduling & Operation charges (50%), Connectivity charges & Application Processing Fee | 436.00 | 436.00 |
| 9 | Less: Other Income | 5.00 | 5.00 |
| | Annual Revenue Requirement for FY 2021-22 | 1463.77 | 1280.72 |
| | True-up of ARR for FY 2019-20 | (-) 469.32 | (-) 469.32 |
| | Net ARR claimed for FY 2021-22 | 994.45 | 811.40 |

18. Vide letter no. 1366 dated 16/09/2021, the Commission directed that public hearing in the matter shall be held on 26th October, 2021. SLDC was asked to publish the public notice in Hindi & English newspapers to invite objections / comments / suggestions from the public.

19. Vide letter No. 1863 dated 29/09/2021, SLDC submitted that, the approved public notice was published in two Hindi newspapers and one English newspaper as under:
- (i) Nai Dunia, Indore (Hindi)
 - (ii) Dainik Bhaskar, Jabalpur (Hindi)
 - (iii) Central Chronicles, Bhopal (English)
20. Vide letter no. 1925 dated 12/10/2021, SLDC submitted that it has not received any objections / comments / suggestions regarding the subject petition in response to the aforesaid public notice.
21. Public hearing in the matter was held on **26th October 2021** through Video Conferencing. Only the representatives of SLDC appeared in the public hearing. The Commission reserved the case for Order.

Fee and Charges for FY 2021-22

22. **Capital Cost**

Vide order dated 26th April' 2017 in Petition No. 69/2016, the Commission approved the following five years Capex plan of SLDC from FY 2016-17 to FY 2020-21. The year wise requirement and availability of fund is as given below:

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

23. It was observed that at para 25-28 of the SLDC tariff order for FY 2020-21 issued by Commission on 23/11/2020 in petition No. 46/2019, the SLDC was directed to comply with the provisions of the Regulation 10.3 of the MPERC (Levy and Collection of Fee & Charges by SLDC) Regulations (Revision-I), 2006. In compliance, SLDC has submitted at para 7.8 of the revised petition that MPPTCL transferred the opening balance of Capex fund of Rs 1311.91 Lakhs in to SLDC Capex Bank Account with Union Bank of India on 19.08.2021. It is observed that this amount of Rs. 1311.91 Lakhs was the cumulative capex fund at the end of FY 2018-19. During FY 2019-20 an amount of Rs. 322.10 Lakhs (50% of tariff and scheduling charges of Rs 644.19 Lakhs) has been added to the SLDC capex fund. Now SLDC & MPPTCL should comply with the provisions of Regulation 10.3 on regular basis.
24. Vide Commission's letter No. 1161 dated 12/08/2021, the issues including those related to Capex were raised. Vide letter No. 1637 dated 31/08/2021, SLDC submitted its point wise response on all issues raised by the Commission. Further vide Commission's letter No. 1366 dated 16/09/2021 the issues which needed more clarity were raised. Vide its letter No. 524 dated 01/10/2021, SLDC submitted its detailed point wise response. These have been mentioned in detail in earlier paragraphs of this order and have not been repeated for brevity.

Future plan for capital expenditure :

25. At para 7.8 of the amended petition, SLDC submitted that the 5 years rolling capital expenditure plan of SLDC for the period from FY 2021-22 to FY 2025-26 is enclosed herewith as Annexure I and summery of the same is submitted in Annexure-CP-I of this Petition. The availability of capex fund is also detailed in para 3 of Annexure-I (Capex Plan). The petitioner requested the Commission for approval of the Capex plan for FY 2021-22 to FY 2025-26.

In the amended petition, SLDC further submitted as under:

Transfer of Capex Fund to New Bank Account:-

Hon'ble Commission has directed to comply with Regulation 10.3 of the MPERC (Levy & Collection of Fee and Charges by SLDC) Regulations (Revision-I), 2006 which is reproduced below:-

“The SLDC shall maintain separate account for such earnings and shall have to disclose the details of investment made to the Commission at the time of determination of its annual revenue requirement.”

26. In this regard, it is submitted that finance section of MPPTCL has transferred the opening balance of Capex fund of Rs 1311.91 Lakhs in to SLDC capex Bank Account with Union Bank of India on dated 19.08.2021.

27. It is observed that Annexure CP-1 of the petition summarizes the CAPEX plan 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 year | | | | | Total |
|----------|--|---|---------------|---------------|---------------|---------------|----------------|
| | | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | |
| A | Capital works in progress & likely to be completed in next Financial Years | | | | | | |
| 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 | Proposed Capital works | | | | | | |
| 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 Renovation of Parking space at SLDC Jabalpur | 0.00 | 0.00 | 5.00 | 0.00 | 0.00 | 5.00 |
| 13 | Providing CCTV based survelliance 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 | Miscallanous 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 | Prcurment 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 |
| | Total | 232.67 | 481.25 | 737.00 | 675.00 | 105.00 | 2230.92 |

28. Capital expenditure plan for SLDC :-

The SLDC submitted the following Capital expenditure Plan in the petition:

INTRODUCTION: *The State Load Despatch Centre Jabalpur is provided with Supervisory Control & Data Acquisition System (SCADA/EMS), Wide Band Communication System, Auxiliary Power Supply System, CCTV based surveillance security system, video Conferencing system, PMUs based Unified Real Time Dynamic Measurement system (URTDSM) system & Renewable Energy Management Control Entre (REMC) system, etc. The system for Availability Based Tariff, Open Access & MIS along with Load forecasting system is also provided at SLDC. All these systems are sophisticated electronic equipments based on latest technology with suitable measures for cyber security. Similar systems have also been provided at backup SLDC at Bhopal & Sub Load Despatch Centres at Indore. In order to maintain suitable environment for reliable operation functioning of above electronic systems, Central Air Conditioning plant along with backup arrangement is also provided at SLDC.*

In addition to the existing system and also as replacement of old system, new equipments are required to be provided at SLDC. The project report is prepared for the capital works, replacement / upgradation of SCADA/EMS system, upgradation requirement in URTDSM system & REMC system, providing office equipments, enhancement of wideband communication system, and construction of additional space required for accommodating new equipments etc. The capital works in progress, such as supply, installation and testing and commissioning of Whether Monitoring Station, replacement of fire extinguishers, providing split Air Conditioners and Load forecasting system at SLDC are summarized in the project report.

NECESSITY & SCOPE OF WORK: *The SCADA/EMS system, ABT, OA & MIS system, Wide Band Communication systems, Unified Real time Dynamic Measurement System (URTDSM) system, Renewable Management Control (REMC) system and other system support services of SLDC are essentially required for reliable, efficient and failsafe operation, monitoring and management of electrical grid in the State. The associated systems such as power Supply and air conditioning are also necessary to ensure round the clock functioning of grid operational services & sophisticated equipments provided at SLDC & Sub-LDCs. Apart from reliable & efficient functioning of the equipments, safety and security from the theft and possible terrorist attack is essentially required. Accordingly, the following capital works are proposed to be implemented at SLDC/ back SLDC/Sub-LDCs during the next five year in a phased manner:*

CAPITAL WORKS UNDER PROGRESS AND LIKELY TO BE COMPLETED IN NEXT FINANCIAL YEAR: -

(I) INSTALLATION & COMMISSIONING OF WHETHER MONITORING STATION COMPRISING OF RTU & WHETHER SENSORS: - *Under Unified Load Despatch Centre*

and Communication (ULDC) project implemented in 2004-05, Remote Terminal Unit (RTU) along with Whether Sensors (Wind Speed, Wind Direction, Air temperature, Humidity, Rain Fall, Atmospheric Pressure) was installed and commissioned at SLDC Jabalpur & RTU at 400KV Indore Sub Station is also having provision for whether sensors. In view of frequent trouble in e RTU and whether sensor installed at SLDC /400 KV Sub Station Indore, due to obsolescence and compatibility issues/fault in whether sensors and non-availability of spares etc, the complete whether monitoring station is required at SLDC, Backup SLDC and Sub-LDC Indore. The weather parameters. (Wind Speed, Wind Direction, Air temperature, Humidity, Rain Fall, Atmospheric Pressure) is utmost importance for grid monitoring purpose and its historical values are also required for various forecasting systems. Accordingly, installation and commissioning of complete whether monitoring station (WMS) having whether sensors along with data logger communicating with SCADA /EMS system through IEC 60870-5-104 protocol was proposed in capital plan for FY 2021-22. The order for Whether Monitoring Station has already been placed in December 2020. However, the work is likely to be completed in March 2021 and booking is expected in FY 2021-22. The amount of Rs. 8.00 Lakh is therefore considered in FY 2021-22 for installation of Whether Monitoring station at SLDC, Backup SLDC and Sub-LDC Indore.

(II) DEVELOPMENT OF LOAD FORECASTING SYSTEM FOR MADHYA PRADESH :- At present, the Load Forecasting for MP is being done by MPPMCL through the excel sheet methodology. The forecast process broadly takes into consideration, yearly historical data, previous day demand trend, upcoming incidental loads etc. Not only in the state of MP but in most of the state utilities, Load forecasting in being done in similar way and they do not have any specific software module for load forecasting purpose. As the present practices of load forecasting, do not have advance level mathematical tool, the accuracy of forecast has its own limitations. Subsequently, for availing the services of academia for Load Forecasting in the state of MP, SLDC has taken initiatives and communication was made with Director, PDPM, India Institute of Information Technology Design & Manufacturing, Jabalpur. The importance of Load Forecasting System emphasizes and taken up matter for its development. Accordingly, details order placed on PDPM, IIIDMJ. The estimated cost of work is Rs 35.00 Lakhs and Project is schedule to be completed by July, 2021. The project is already operational and amount of Rs.16.33 Lakhs has already been spent on this project. The expenditure of balance amount i.e. Rs. 18.67 Lakhs is likely to be made in FY 21-22. Accordingly, the provision of Rs. 18.67 Lakhs is made in FY 21-22 for Load Forecasting system of SLDC.

(III) REPLACEMENT OF FIRE EXTINGUISHERS AT SLDC: - Different type of fire extinguishers i.e., Dry Chemical Powder (DCP) & CO2 type have been provided at various places of SLDC Building to protect fire hazards. These fire extinguishers are installed at SLDC in 2000 and functioning since then. The refilling and pressure testing of these fire extinguishers is carried out periodically. Further, mock drill for functioning of fire

extinguishers is also carried out periodically. While doing mock drill it is observed that the performance of these fire extinguishers is not satisfactory and now these are required to be replaced with fire extinguishers of latest technology having more coverage area and ease in operation and handling. The Administrative approval for replacement of fire extinguishers has already been accorded by Managing Director, MPPTCL and in view of the urgency of the work, the order has already been issued in March-2021. The work is proposed to be completed by April 2021. Accordingly, provision for Rs. 3.0 Lakh has been made in FY 2021-22.

(IV) PROVIDING SPLIT AIR CONDITIONERS AT SLDC & BACKUP SLDC : - In addition to the centralized Air Conditioning, split air conditioners units are also required at important strategic locations like Control Room and SCADA /EMS rooms, so that desired temperature prescribed for SCADA/EMS, Wideband Communication/URTDS equipments may be maintained even in case of failure in centralized air conditioning plant. Accordingly, an administrative approval for procurement of seven number split air conditioners for SLDC at a total estimated cost of Rs 4.00 lakh has been obtained from MD, MPPTCL and procurement process is under progress. Further, the requirement from Backup SLDC Bhopal for five number split Air conditioner was also identified and hence total 12 number split air conditioners are required for SLDC and Backup SLDC. Accordingly, provision of Rs. 8.00 lakh is made for the same in FY 2021-22.

(V) SECURE VIDEO CONNECTION BETWEEN WRLDC & SLDC FOR REAL TIME OPERATION AND COORDINATION:- WRLDC vide letter dated 28-12-2020 informed that the need for swift coordination and synergy between control center's would grow manifold in future with large and sudden variations in load generation due to renewable energy sources, weather related events or contingencies. It would require technically solidarity among operators belonging to different utilities and geographies. Therefore, having a facility of video interaction between real time operators' desk would strengthen technical solidarity among the frontline operators which is so very essential for reliability and security of interconnected and synchronous power system in India. The data channel for this video conferencing facility shall be arranged by WRLDC. However, equipments is required to be arranged by SLDC. WRLDC has requested to arrange compatible hardware to establish secure video connection as already arrange by WRLDC at their end. As per the procurement order provided by WRLDC, approximately 23.00 Lakh shall be required for arranging this facility. The detailed cost estimate prepared for this facility is attached herewith as Annexure-I. As per WRLDC directives, major items required for this connectivity is to be arranged from BSNL while items required for storage, configuration and display is to be to procured from open market. In view of urgency of work, the approval for establishment of video connection between SLDC and WRLDC control room was obtained from MD, MPPTCL and order to BSNL amounting to Rs. 18.5 lakhs have already been placed and processing for balance item is under progress. Accordingly, provision of Rs. 23.00 Lakh in FY 2021-22 is made.

CAPITAL WORKS PROPOSED: - Following capital works are proposed to be taken up during FY 2021-22 to 2025-26 :-

*(I) REPLACEMENT OF SCADA/EMS SYSTEM OF SLDC, BACKUP SLDC & SUB-LDC: - SCADA/EMS systems deployed at National, Regional & State Load Despatch Centres in India are Critical Information Communication Technology systems. These systems are the eye and ear of the grid monitoring engineers for monitoring, coordinating and controlling the Indian electrical Grid in Real time on 24 * 7 basis through hierarchically connected control centers. The existing SCADA/EMS system at SLDC Jabalpur, Backup SLDC Bhopal & Sub-LDC Indore along with WRLDC Mumbai and other SLDC of Western Region was installed and commissioned in 2015-16. These systems are having seven-year life and required to be replaced so as to meet out requirement of integration of more sub stations/power stations, avail benefit of new technologies, improved performance due to enhanced system sizing, enhanced historical retrieval, cyber security requirements, necessity to incorporate latest protocols etc. Thus, the existing SCADA / EMS of M/s GE T&D India Ltd installed at SLDC, Sub-LDC Bhopal and Indore needs to be replaced after completion of useful life, to meet the future requirements of Grid Operation, Market Operation and Cyber Security.*

It is to submit that SLDC has to maintain pace with the rapidly changing Market Operation and Grid Operation scenarios in the electrical system. The CERC has notified all possible regulations for ensuring Grid security of integrated electrical system of the country and now concentrating on Market Operation i.e. reducing power purchase cost, optimum utilization of available generating resources, economic despatch etc. The availability of uninterrupted real time data at SLDC Control Room through SCADA System is utmost necessary for safe, secure and reliable operation of the State Grid and therefore SCADA System needs to have latest security features to protect from cyber-attacks. Therefore SCADA/EMS system is required to be replaced along with other WR SLDCs and WRLDC.

The system replacement is time taking activity which requires finalization of specifications, BoQ, tender documents, NIT, bid evaluation, finalization of contract, award of Contract, system implementation, parallel operation etc. Further, all these activities are carried out in Unified manner among the RLDC and constituents' states and hence all these activities take considerable time. Accordingly, the activity of system replacement has already commenced and it is planned to replace the SCADA/EMS system at SLDC, Backup SLDC and Sub-LDC Indore along with the SCADA/EMS system at WRLDC and SLDC of GETCO, CSPTCL, Goa with Unified Approach and completion target as FY 2022-23. The approach for replacement of SCADA/EMS System as proposed by Power System Operation Corporation (POSOCO) is given hereunder: -

- (i) The upgradation would be carried out in ULDC mode for all the SLDCs and concern RLDC in a region.*

- (ii) Detailed technical specification shall be prepared by a Committee comprising of members from each participating SLDC, RLDC and POSOCO.*
- (iii) The tendering for complete project of SCADA/EMS system shall be done by POSOCO after considering the requirement of each State. The tender shall have separate package for each participating SLDC and WRLDC.*
- (iv) POSOCO shall evaluate the tender and finalize the successful bidder. Each participating SLDC and WRLDC shall award contract to the successful bidder for installation & commissioning of SCADA/EMS separately and shall have the responsibility for execution of contract and payment obligations by arranging funds from their own resources.*
- (v) The WRLDC will act as a Nodal Agency for implementation of project in coordinated and integrated manner.*

The implementation of the project on Unified Approach based on uniform technical specifications, is having advantage in terms of ease of integration avoiding compatibility issue because of similar system at all locations, common data base updation, advantage in terms of technology transfer between different control centers, spare maintenance etc. Further, for arranging upgradation / replacement in unified manner, there is no additional financial burden as POSOCO has agreed to provide consultancy without any administrative charges.

The preparation of technical specification for project is under progress. The Approval for arranging replacement of system through unified mode through POSOCO by signing of agreement has already been obtained from MD, MPPTCL. The Agreement has also been signed between SLDC, MPPTCL and POSOCO. The estimate of the project shall be finalised after preparation of specification and BOQ. However, based on project commissioned in 2015-16, considering some additional requirements like enhance data visualization system, advance features for cyber security, increased system sizing to accommodate upcoming EHV Sub stations, power stations and interfacing with various system like URTDSM, REMC, MPPTCL SCADA, system, NIWE and forecasting agencies, MPPGCL, Video Conferencing facility at Backup SLDC and Sub-LDC and also considering inflation @5% per year, the expected financial commitment for replacement of SCADA/EMS system for SLDC, Backup SLDC and Sub-LDC shall be approximately Rs. 15.0 Crores (Fifteen Crores only) as detailed in Annexure-II. Accordingly, the provision of Rs. 250.00 lakh in FY 22-23 and Rs. 600 & Rs. 600.00 lakh in FY 2023-24 & 2024-25 & Rs. 50.00 Lakh in FY 2025-26 is made.

(II) IMPLEMENTATION OF AUTOMATIC GENERATION CONTROL (AGC) at SSTPP, STAGE-I, KHANDWA :- Hon'ble Central Electricity Regulatory Commission (CERC) vide order dated 13th Oct 2015 in petition no 11/SM/2015 has given a roadmap for operationalization of generation reserves in the country. The objective of the Order was to provide a vision to introduce Spinning Reserves in the country, which is one of the components for ensuring grid security, quality and reliability by achieving adequacy of

supply and maintaining load-generation balance. In point no. 16.b.iii of the Order, the Central Commission had advised the State Commissions to issue orders for intra-state generators to implement the AGC as AGC is essential for reliable operation of India's large inter-connected grid. Essentially, AGC delivers reserve power to bring back the frequency and the area interchange schedules to their target values and restores the delivered primary control reserves.

As per the above Order on Spinning Reserves by Hon'ble Central Commission, each region should maintain primary, secondary and tertiary reserves. Accordingly, AGC has been implemented at Dadri-II in NR, Mauda in Western region, Simhadri in Southern Region and Barh in Eastern Region and under implementation at Bongaigaon in North Eastern Region (all are NTPC thermal plants).

In view of the above MP SLDC has also planned and proposed to implement AGC in Singhaji STPP, Khandwa Stage-I. The criteria for identification of SSTPP for AGC is similar to approach adopted by NLDC for NTPC Generating Plants. The SSTPP has comparatively high variable cost, which will enable to keep Spinning Reserves in the same, due to high chances of surrender of power by the beneficiaries. Further, the plant has 100% capacity allocation tied up with MPPMCL and is having updated technology because of its latest inception.

M/s Siemens Ltd. Is the agency who has implemented the AGC at various Generating Plants of NTPC. A budgetary offer for implementation of AGC at SSTPP Stage-I, was requested from M/s Siemens Ltd., which they have furnished as approx. 1.78 crores. The cost comprises two portions. One portion is to be implemented at SLDC, MPPTCL Jabalpur and other part at SSTPS, Khandwa. In line with CERC directive/approach cost of Hardware/Software and services required at SSTPS, Khandwa shall be borne by Generating company and remaining by SLDC. The cost of the project to be borne by SLDC shall be met from CAPEX fund of SLDC. The implementing agency for the project shall be SLDC. It is expected that the project shall be completed in the Financial Year 2021-22.

On implementation of proposed AGC, 5% of rated capacity of machine (i.e. from 30 MW to 60MW) will be available when the machine would operate at 100% capacity. For other operating conditions, a quantum of about 10-15% of the operating capacity could be utilised for AGC purpose. The AGC control shall be available with SLDC and response time would be within 5 minutes, which is sufficient to trigger/initiate tertiary controls. In addition, the AGC in hand would give an additional flexibility with the system operator to cope up with frequency variations specially in the situation when Renewable Energy penetration is increasing day-by-day.

The schematic diagram of the proposed AGC system and brief budgetary requirements are given in Annexure-III. It is here to submit that the capital work for "Implementation of Automatic Generation Control (AGC) at SSTPP, stage-I, Khandwa " was also submitted along with the petition for levy and collection of fees and charges for FY 2020-21 and

approved by the commission. However, due to Covid pandemic the processing of the case could not be done and the same shall be processed now.

Accordingly, the provision of Rs 60.00 Lakhs in FY 2021-22 Rs 60 Lakhs in FY 2022-23 and balance Rs. 58.00 Lakhs in FY 2023-24 has been considered in form CP-1.

(III) IMPLEMENTATION OF SECURITY CONSTRAINT ECONOMIC DISPATCH (SCED) SYSTEM AT MP SLDC :- Hon'ble Central Electricity Regulatory Commission (CERC) vide order dated 13th Oct 2015 in petition no 11/SM/2015 has given a roadmap for operationalization of generation reserves in the country. To accelerate the implementation of Ancillary Services at State level a sub-group on "Reserves and Ancillary Services at State Level" under FOR standing Technical Committee was formed. MP SLDC, MPPTCL, Jabalpur and MPERC, Bhopal are also members of the sub-group. The task given by the committee to the state SLDCs was to get hands on experience on Security Constraint Economic Dispatching (SCED) through "Solver" of MS Excel. MP SLDC had demonstrated the use of this model for economic dispatching in the meetings of the committee. In the third meeting of the sub-group the committee has opined and suggested MP SLDC to go ahead in the matter to implement the system of SCED at MP State level on pilot basis. In the demonstrations it was found that the application of SCED system may reduce the cost of operation considerably. Specially during low demand period in different seasons of year or at different times of the day. It is, therefore, beneficial to implement the SCED system at SLDC, MPPTCL, Jabalpur. In fifth meeting of the committee, Chairman of CERC has opined that instead of pilot projects in various states it would be more prudent to bring a regulation for implementation of SCED. MP SLDC is ready to take up the project, whenever related regulation is issued by CERC. After issuance of the regulation, it is expected that the implementation of the SCED system at MP shall take place in the FY 2020-21 & 2021-22. The implementation of the SCED system would require three components of cost for arriving at budgetary requirement. The components are Hardware, Software and professional services. Professional services are required for interfacing of various systems such as 'SCADA', 'ABT, OA & MIS system' and 'WRLDC system' (if permitted). The budgetary cost implication expected is to the tune of 77.25 lacs for the pilot project of SCED. The figure is arrived on by getting verbal offer from M/s Kalkitech for professional services and cost of hardware and software from the previous order and information available on websites. Implementing agency for the SCED system will be MP SLDC. The system will be implemented in the financial year 2020-21. The budgetary cost of the project is Rs.77.25 lacs which will be borne by SLDC and shall be met from CAPEX fund of SLDC. SCED system shall be utilized to optimize Day-ahead and Real-time scheduling. Results/outcome of SCED shall be utilized to reschedule the generation of SSGS and ISGS(MP's Share) in such a way that the final scheduling would be most economical. It can save the cost to the tune of 1 to 2 paise per unit in variable charges. The schematic diagram of the proposed SCED system and brief budgetary requirements are given in Annexure-IV.

The project was already put in SLDC capex plan for FY 2019-20 . However, the work in the project was delayed due to corona pandemic and now it is proposed to be taken up in FY 2021-22.

Accordingly, the provision of Rs 30.00 Lakhs in FY 2021-22 and Rs 47.25 Lakhs in FY 2022-23 has been considered in form CP-1.

(IV) EXTENTION OF CONTROL ROOM TO ACCOOMODATE NEW SCADA/EMS SYTEM :- The SCADA/EMS system at SLDC is proposed to be replaced by 2022-23 and in order to cope up with the enhance space requirement for additional equipments, enlarged visualization systems, the size of control room is required to be enhanced. It is planned to extend control room by integrating existing conference room in the control room. For integrating conference room in the control room, additional work like modification in air-conditioning duct, upliftment of false sealing of conference room so as to match with the control room height, some structural work is required. Further, the construction of new conference room shall also be required before integrating conference room into control room. The detailed work required for extension of control room as well as construction of new conference room was taken up with Civil department. The MPPTCL Civil department has taken up the services of outside consultant and worked out the various work involved for extension of control room like dismantling of partition, cooling duct rearrangement, upliftment of false sealing, renovation of carpet area. As informed by MPPTCL civil department, the detailed project report for this work is under preparation and as per preliminary estimate, the approximate expenditure required for extension of Control room shall be Rs. 12.00 lakh . The work shall be taken up after construction of new conference room and accordingly, the provision of Rs. 2.00 lakh in FY 2021-22 & Rs. 10.00 Lakh in FY 2022-23 is made in capital expenditure plan.

(V) CONSTRUCTION OF NEW CONFRENCE ROOM :- The SCADA/EMS system at SLDC is proposed to be replaced by 2022-23 and in order to cope up with the enhance space requirement for additional equipments, enlarged visualization systems, the size of control room is required to be enhanced. It is planned to extend control room by integrating existing conference room in the control room. Accordingly, new conference room is required to be constructed so as to facilitate extension of control room. The detailed work required for extension of control room as well as construction of new conference room was taken up with Civil department. The MPPTCL Civil department has taken up the services of outside consultant and identified the location near old gate by extending lobby. The area approximately 250 square meter is required for the purpose. As informed by MPPTCL civil department, the detailed project report along with engineering drawing for this work is under preparation and as per preliminary estimate, the approximate expenditure required for Construction of conference room shall be Rs. 35.00 lakh. The work is required to be taken up on priority basis as existing conference room is required to be dismantled for extension of control room before installation and commissioning of new SCADA/EMS system. Accordingly, the provision of

Rs. 25.00 lakh in FY 2021-22 & Rs. 10.00 Lakh in FY 2022-23 is made in capital expenditure plan for this work.

(VI) CUTTING OF ROCKS & LEVELLING NEAR THE BOUNDARY WALL TO DEVELOP THE PREMISE :- The area between SLDC building and boundary wall is uneven and full of rocks and hence not approachable. This may create problem in providing support in case of hazards especially during night hours. Further, proper monitoring around the building is also not possible because of rocks and uneven level around the boundary wall. It is therefore proposed to arrange cutting of rocks & leveling near the boundary wall and also arrange construction of pathway around the SLDC building. Accordingly, provision of Rs. 7 lakhs for cutting of rocks & leveling near the boundary wall is made during the financial year 2021-22.

(VII) CONSTRUCTION OF RETAINING WALL AT SLDC :- The SLDC building is constructed in uneven area having rocks/slopy areas. The building is constructed around 40 years back and soil erosion on some of the area specially near rear left end of the building is observed. Due to soil erosion, the foundation of the building is getting exposed and weekend year after year. The SLDC Civil department along with civil consultant has suggested to arrange construction of retaining wall to avoid further soil erosion and avoid landslide. It is suggested by consultant to construct around 25 meter retaining wall which is necessary for safety of building. Apart from retaining wall, the path way around the building is also required to be constructed for proper monitoring around the building around the boundary wall. Thus, in order to provide strength to old SLDC building, construction of retaining wall along with pathway around the building is necessary. The expected financial commitment for construction of retaining wall and pathway shall be Rs. 50.00 lakh. As this is a priority work, provision of Rs. 20.00 Lakh in FY 2021-22 and Rs. 25.00 lakh in FY 2022-23 is made.

(VIII) FIRE HYDRANT DRILLING OF TUBE WELL, INSTALLATION OF PUMP ETC. The security & fire safety aspects of various power installations including SLDC have been reviewed by Vigilance & Security department of MPSEB. Based on the site observation, the Vigilance & Security department has advised construction of boundary wall around the building and providing additional fire extinguishers & fire hydrant system at SLDC. The construction of boundary wall, Security check cabin has already been done. Now arrangement of fire hydrant system at SLDC is required to be completed at the earliest. The consultancy services for design of fire hydrant services are being obtained by MPPTCL civil department. The site visit of consultant has already been arranged. As per preliminary discussions, drilling of tube well, pipe lining around the various parts of building, installation of pumps, etc is required. The detailed project report is awaited and as per preliminary reports, approximately Rs. 60.00 Lakhs is required for this work. The lump sum provision of Rs. 30.00 lakhs in FY 2022-23 and Rs. 30.00 Lakh in FY 2023-24 is therefore made for this purpose.

(IX) REPLACEMENT OF FIRE ALARM & SMOKE DETECTION SYSTEM AT SLDC JABALPUR: - The SLDC is equipped with sophisticated electronics, IT and Communication equipments. Hence, it is necessary to safeguard these equipments against any fire hazards; Accordingly, reliable functioning of Smoke detection and fire alarm system is required to be ensured. The Fire Alarm and Smoke detection system was installed at State Load Dispatch Centre, Jabalpur in 2012-13. At present the performance of fire alarm system is not reliable, the system generates fictitious alarms and the system is not in fully operational condition. The integration of new sensors required for extended building portion is not possible due to non-availability of system software. As such the replacement of fire alarm and smoke detection system shall be required. It is now proposed to arrange a fire alarm system and smoke detection system with advance system for monitoring, graphical display along with repeaters at various locations/floors. Accordingly, the estimate for procurement, installation & commissioning fire alarm and smoke detection system is prepared and attached herewith as Annexure- V. Approximately Rs. 11.00 Lakh shall be required for replacement of fire alarm and smoke detection system. Accordingly, the provision of Rs.5.00 Lakh in FY 2021-22 and Rs. 6.00 lakh in FY 2022-23 is made.

(X) PROVIDING PERIPHERAL LIGHTING ARRANGEMENT AROUND SLDC BUILDING:- Proper lighting arrangement around the building is not available and the same is required to be made for safety and security of the building. Presently some temporary arrangement is made. However, after construction of path way around the building, the proper lighting arrangement at pathway and in garden shall be made. Accordingly, a lump sum provision of Rs. 5.00 lakh is made during the financial year 2023-24.

(XI) PROVIDING OFFICE EQUIPMENTS AT SLDC & SUB-LDC: The office equipments such as computers, printers, peripherals, photocopiers, fax machine, vacuum cleaners, RO system, water purifiers, water cooler etc are required to be procured to cater the requirement of new executives, officials, extra work as well as for replacement/upgradation of old survey reported equipments etc at SLDC, Backup SLDC & Sub-LDC. Further, attendance monitoring system, provision of extra display facility in conference room, control room to accommodate enhanced information as well as improve visibility is required. In addition to this some additional security equipment/software etc may also be required to enhance cyber security. As SLDC is functioning round the clock and located at remote locations, the tea/coffee vending machine, microwave, refrigerator etc is provided at SLDC and may also be required at backup SLDC/Sub-LDC, in future. The details of required office equipment and estimate shall be finalized before actual purchase. Accordingly, a lump sum provision of Rs. 5.00 Lakhs per year is kept in each financial year from 2021-22 to 2025-26.

(XII) CONSTRUCTION, EXTENTION & RENOVATION OF PARKING SPACE AT SLDC: -The existing parking space at SLDC is not sufficient and additional two-wheeler and four-wheeler parking space is required. The work regarding same shall be taken up after

completion of work regarding cutting of rocks & leveling near the boundary wall and construction of pathways. Accordingly, the provision of Rs. 5.00 Lakh is made in FY 2023-24.

(XIII) PROVIDING CCTV BASED SURVEILLANCE SYSTEM AT BACKUP SLDC BHOPAL: - The backup SLDC is equipped with SCADA/EMS system, Auxiliary Power Supply System, Wideband Communication equipments and other advance IT and electronic system. In order to monitor and ensure security of man and material CCTV based surveillance system is required at backup SLDC Bhopal. The CCTV based surveillance system is already available at SLDC Jabalpur and Sub-LDC Indore and hence it is necessary to arrange the same at backup SLDC Bhopal. The internal auditor while conducting audit at sub-LDC Bhopal has raised half margin para regarding non availability of CCTV surveillance system at Bhopal Office. Accordingly, a detailed study for requirement is conducted and it is found that IP based CCTV system having Dome camera, out door bullet cameras, 32 channel Network Video Recording system, storage system, 32" LED based monitoring screen POE based switch is required. An estimate based on the identified requirement is also prepared and enclosed herewith as Annexure-VI. As may be seen from the estimate an amount of Rs. 5.0 Lakhs is required for providing CCTV based surveillance system at Backup SLDC Bhopal. Accordingly, provision of Rs.5.0 Lakhs is kept in FY 2021-22.

(XIV) Construction of TWO-WHEELER/FOUR-WHEELER parking STAND AT BACKUP sldc bhOPAL: - In the backup SLDC Bhopal Building, provision for parking of vehicles is not available and inconvenience is faced by Officers & Staff of Backup SLDC. Therefore, it is necessary to develop parking stand with shed for safe & secured parking of cars and scooters. The matter of construction of two/four-wheeler parking stand is taken up with MPPTCL civil department and as per the estimate provided by MPPTCL Civil department approximately 15.00 lakh shall be required for the work. Accordingly, the work for construction of two/four-wheeler parking stand along with shed is proposed to be taken up during financial year FY 2021-22 & 22-23 & provision of Rs. 08.00 lakh in FY 2021-22 & Rs. 7.00 Lakh in 2022-23 is made.

(XV) MISCELLANEOUS REQUIREMENT FOR UPGRADATION OF SCADA/EMS, WIDEBAND EQUIPMENTS, REMC SYSTEM, URTDSM PROJECT ETC:- The various advance systems like Phasor Measurement Units based Unified Real time Dynamic Measurement System for dynamic grid monitoring, Renewable Energy Management Centre (REMC) system with separate SCADA/EMS system for monitoring of renewable injection as well as forecasting and scheduling of renewable generators, ABT/OA & MIS system, CCTV based surveillance system, Auxiliary Power supply System, etc is functioning at SLDC, Backup SLDC and Sub-LDC Indore. Further, various audits like Quality Audit, Cyber Security Audit etc is conducted regularly and compliance of the audit reports is required to be done. The strengthening of communication system/upgradation of wideband nodes,

addition of miscellaneous protocol converters etc may be required to meet out interfacing requirement with heterogenous systems. The MPPTCL is arranging procurement of additional PMUS and the same shall be required to be integrated with PDC. The integration in PDC shall be required to be arranged by SLDC on additional cost by issue of contract. These are all miscellaneous nature of works required to be taken up as and when required. Accordingly, the provision of Rs. 5.00 lakh per year is made, to meet out any contingency requirement for upgradation/modification/interfacing requirement of these projects.

(XVI) PROCUREMENT OF FILE OPTIMISER/FILE STORAGE SYSTEM/ RACKS/OTHER FURNITRE ITEMS :- State load dispatch Center is required to store voluminous records related with grid operation and management, Availability Based Tariff, Energy accounting and deviation account, Renewable Energy, RRF, REC Various Petitions, regulations, projects related with SCADA/EMS, URTDSM, REMC, various contracts and purchase cases, establishment related matters, quality audit and cyber security audit and historical data etc. Presently, these records are kept at various places in segregated manner which cause difficulty in identifying desired files. Further, due to non-availability of proper storage facility, some records are kept in open and getting deteriorated. Therefore, in order to ensure safety, security and saving space, ease of searching desired file, mechanical file compactor / optimizer is required for SLDC/Backup SLDC/Sub-LDC. The mechanical file compactor/optimizer is beneficial both in terms of cost saving as well as space optimization and is necessary for ensuring safety of record. Therefore, considering present requirement as well as future requirement, it is proposed to arrange Mechanical file Compactor /file storage systems for office record/ storage for SLDC, Jabalpur/Backup /Sub-LDC etc. Further, some racks, other furniture item may also be required. Accordingly, a provision for Rs. 5.00 Lakh in FY 2022-23, 23-24 & 2024-25 is made in capex plan.

(XVII) REPLACEMENT OF OLD BATTERY BANK OF UPS/DCPS AT SLDC, BACKUP SLDC & SUB-LDC: - Two number 60 KVA Uninterrupted Power Supply (UPS) system and two number DC power supply (DCPS) system is installed and commissioned at SLDC in 2016-17. Similarly, two number 40 KVA Uninterrupted Power Supply (UPS) system and two number DC power supply system is installed and commissioned at backup SLDC and Sub-LDC in 2016-17. In view of the recommended life of battery bank, the battery bank of these UPS and DCPS system shall be over by 2023-24 and required to be replaced in 2023-24. In addition to this, due to addition of equipments over the period of time, some more DCPS is also required & hence the estimate for replacement of battery of UPS /DCPS along with providing additional DCPC at SLDC and Backup SLDC amounting to Rs. 95.00 Lakhs is prepared and attached herewith as Annexure- VII. Accordingly, the provision for provision for Rs. 5.00 Lakh in FY 2023-24, 45.00 Lakh in 2024-25 and Rs. 45.00 Lakh in 2025-26 is made.

(XVIII) The CONTROL PANEL FOR DISTRIBUTION OF AUXILIARY POWER SUPPLY SYSTEM:-

The SLDC is equipped with two number LT feeders. The distribution bus bar panel of this incoming supply is required to be replaced as existing panel is around 30-35 years old and giving frequent trouble. Approximately Rs 7.00 lakh shall be required for replacement of auxiliary supply panel. The estimate for items required in control panel is prepared and attached herewith as Annexure-VIII. Accordingly, provision of Rs. 3 Lakh in FY 2022-23 and Rs. 4.00 Lak in FY 23-24 is made.

(XIX) INSTALLATION OF GRID CONNECTED ROOF TOP SOLAR POWER PLANT AT BACKUP SLDC & SUB-LDC BUILDING: - *In order to bring down the dependence of finite fossil fuel for power generation, it is necessary to look into the viability of generating power locally using renewable energy sources. The government of India is also encouraging renewable generation including solar generation. The Government of India has set a target of installing 175 GW of renewable energy capacity by the year 2022, which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power. The Government of India is also encouraging for use of rooftop of buildings under their control for solar power generation. Installation of solar power plant will reduce energy bills and by utilizing net metering, may also assist in revenue generation. Accordingly, it is proposed to arrange installation of roof top Solar power plant consisting of PV modules, inverter and other accessories at both the locations. The site survey of backup SLDC Bhopal building and Sub-LDC Indore building is arranged through developers of solar plants and it is suggested to install 50 Kw solar plant at Bhopal and 16 kw solar plant at Indore building. The budgetary offer for installation of solar plants at both the locations is also obtained and the budgetary cost estimate is prepared and attached herewith as Annexure-IX. As may be seen from the estimate, approximately Rs. 48.00 Lakhs shall be required for installation of roof top solar plant at both the locations. Accordingly, provision of Rs. 18.00 Lakhs in 2022-23, Rs 15.00 Lakhs in FY 2023-24 and Rs. 15.00 Lakhs in FY 24-25 is made in capax plan of SLDC.*

29. REQUIREMENT AND AVAILABILITY OF FUND :-

In line with section 10.3 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulation 2004, Revision-1, 2006 (RG-16 of 2006), the 50% of Operation and Scheduling charges being received from Long Term / Short Term Open Access Customers, shall be utilized for development of infrastructure at SLDC. The expenditure of proposed capital works shall be met from the 50% of Operation and Scheduling charges. The details of the availability of capital fund (50% of Operation & scheduling charges) (Table-1) and capital expenditure (Table-2) from FY 2006-2007 to 2019-20 is given below :-

(Table-1)

Year wise Details of Funds marked for Capex fund out of Operation & Scheduling charges

Amount in Rs. Lakhs

| Financial Year | Operation & Scheduling Charges. | 50% of O&S treated as Income | 50% of O&S treated as Capex. Fund |
|------------------|---------------------------------|------------------------------|-----------------------------------|
| 1 | 2 | 3 | 4 |
| 2006-07 | 39.18 | 19.59 | 19.59 |
| 2007-08 | 67.64 | 33.82 | 33.82 |
| 2008-09 | 125.37 | 62.69 | 62.69 |
| 2009-10 | 151.57 | 75.79 | 75.79 |
| 2010-11 | 202.92 | 101.46 | 101.46 |
| 2011-12 | 185.43 | 92.72 | 92.72 |
| 2012-13 | 265.63 | 132.82 | 132.82 |
| 2013-14 | 265.74 | 132.87 | 132.87 |
| 2014-15 | 363.81 | 181.91 | 181.91 |
| 2015-16 | 364.39 | 182.20 | 182.20 |
| 2016-17 | 407.94 | 203.97 | 203.97 |
| 2017-18 | 508.83 | 254.42 | 254.42 |
| 2018-19 | 572.79 | 286.40 | 286.39 |
| 2019-20 | 644.19 | 322.10 | 322.10 |
| Total (A) | 4165.43 | 2082.72 | 2082.71 |

Table-2

The Details of Actual Capital Expenditure for the FY 2006-07 to 2019-20.

| (Amount in Rs. Lakhs) | | | | |
|-------------------------|------------------------------------|---------------------------|-----------------|-----------------|
| Financial Year | Category of Expenditure (A/C Code) | | | Year wise Total |
| | Fixed Assets | Capital works in progress | Capital Advance | |
| 2006-07 | 25.66 | | | 25.66 |
| 2007-08 | 14.73 | | | 14.73 |
| 2008-09 | 5.96 | 0.9 | | 6.86 |
| 2009-10 | 0 | | | 0 |
| 2010-11 | 28.82 | | | 28.82 |
| 2011-12 | 9.43 | 61.89 | | 71.32 |
| 2012-13 | 1.83 | 42.92 | 7.8 | 52.55 |

| | | | | |
|---|---------------|---------------|----------|---------------|
| 2013-14 | 92.55 | -41.27 | 0 | 51.28 |
| 2014-15 | 22.73 | -8.69 | -7.8 | 6.24 |
| 2015-16 | 7.55 | -0.39 | 0 | 7.16 |
| 2016-17 | 14.79 | 70.81 | 0 | 85.60 |
| 2017-18 | 16.02 | 168.18 | 0 | 184.20 |
| 2018-19 | 319.72 | - 127.09 | 0 | 192.63 |
| 2019-20 | -30.56 | 21.30 | 0 | -10.86 |
| Total (B) | 538.55 | 177.64 | 0 | 716.19 |
| Less:- Fund Utilized through PSDF Fund | | | | 247.56 |
| Less:- Fund Utilized through MPPTCL Fund | | | | 5.29 |
| Fund Utilized through Capex Fund (C) | | | | 464.94 |

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

| Year wise proposed requirement as well as availability of fund in Rs. Lakhs | | | | | | | | |
|---|--|---------|---------|---------|---------|---------|---------|---------|
| S. No | Particulars | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2023-24 | 2024-25 | TOTAL |
| 1 | Availability of fund for Capex (Approved/ Projected) | 300.00 | 350.00 | 385.00 | 423.50 | 465.85 | 512.44 | 2436.79 |
| 2 | Previous year Balance | 1617.77 | 1914.60 | 2031.93 | 1935.68 | 1622.18 | 1413.03 | 1617.77 |
| 3 | Total Capex Available (1+2) | 1917.77 | 2264.60 | 2416.93 | 2359.18 | 2088.03 | 1925.47 | 4054.56 |
| 4 | Capex Requirement | 3.17 | 232.67 | 481.25 | 737.00 | 675.00 | 105.00 | 2234.09 |
| 5 | Cumulative Surplus (3-4) | 1914.60 | 2031.93 | 1935.68 | 1622.18 | 1413.03 | 1820.47 | 1820.47 |

The opening balance of capex fund for FY 2020-21 of Rs. 1617.77 lakhs comprises of amount received towards 50% of Operation & Scheduling Charges from FY 2006-07 to FY 2019-20 of Rs. 2082.71 lakhs as in table-1 less actual capital expenditure of Rs. 464.94 lakhs as mentioned in table-2 The balance capex fund of each year shall be carried forward for meeting out Capex requirement of subsequent years.

COST BENEFIT ANALYSIS: - The SCADA and Communication systems provided at Sub-LDCs, SLDC and RLDC are to be maintained round the clock so as to ensure continuous inflow of real time data from the field. The real time data from all Power Stations and important sub-stations of MP is vital for Load Despatch system operation in proper & efficient manner and to minimize system tripping and blackouts. Further, it is imperative to have proper security arrangements, hygienic & conducive working place, adequate and reliable support systems at SLDC/ Sub-LDCs. SLDC is also required to have various certification like ISO 9001:2015, ISO 27001:2013 and OHSAS 18001. Thus, SLDC is required to have infrastructure and environment to meet out requirement of these certifications. The proposed capital expenditure plan is aimed to provide such support system facilities and shall have a definite contribution for development of in-house expertise by imparting proper training & conducting technical conferences, and better safety & security of various sophisticated equipments installed at LD Control Centers. These facilities would prove integrated part of basic facilities required for Load Despatch Application and would result in intangible benefits due to further improvement in Power Management, optimum utilization of resources, minimum interruption during breakdowns and faster restoration of system.

The petitioner, most respectfully prays that the Hon'ble Commission be pleased to accept and pass the Capital expenditure plan for SLDC.

30. In view of the year wise requirement and availability of funds mentioned in the provisions paragraphs it was observed that the cumulative surplus as on 01/04/2021 was Rs 1914.60 Lakhs which is adequate for Capex requirement of rupees 232.67 Lakhs projected for FY 2021-22. Similarly the detailed capex requirement projected as Rs. 2230.92 Lakhs for five year period from FY 2021-22 to FY 2024-25 can be met from the projected availability of Capex fund during this period and it is projected that there shall be cumulative surplus of Rs. 1820.47 Lakhs at the end of the capex plan period (i.e. FY 2024-25). In view of the above, the Commission accords in-principle approval to the capital expenditure plan for the FY 2021-22 to FY 2024-25 as summarized hereunder subject to the fulfillment of the following terms and conditions:

i. Summary of the CAPEX plan approved in this Order 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 | | | | | Total |
|----------|--|---|---------------|---------------|---------------|---------------|----------------|
| | | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | |
| A | Capital works in progress & likely to be completed in Financial Year 2021-22 | | | | | | |
| 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 | Proposed Capital works | | | | | | |
| 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 Renovation of Parking space at SLDC Jabalpur | 0.00 | 0.00 | 5.00 | 0.00 | 0.00 | 5.00 |
| 13 | Providing CCTV based survelliance 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 | Miscallanous 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 | Prcurment 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 |
| | Total | 232.67 | 481.25 | 737.00 | 675.00 | 105.00 | 2230.92 |

ii. Terms and conditions are as under:

- (a) SLDC shall maintain proper account of Capex fund and should also account for the bank interest earned on capex fund.
- (b) The SLDC shall ensure timely completion of capital works within approved cost so that the SLDC and other stakeholders get due benefits.
- (c) The Commission will not allow any unjustified escalated cost for the purpose of determination of fee and charges.
- (d) The cost of items, instruments, spares, installation and commissioning charges, freight, etc. quoted / charged by the suppliers / vendors should be properly analyzed and verified by SLDC to ensure that the cost incurred by it, is in line with the lowest possible prevailing market price for good quality work.
- (e) The SLDC shall file the updated physical and financial progress of each work as an annexure with the petitions to be filed by the SLDC for determination of fees and charges.

Levy of SLDC Charges:

31. 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:

32. 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:-

33. **Petitioner's submission:**

In the amended petition, SLDC has submitted as under:

The Load Despatch Centre is carrying out the function of system operation and control in the State. The employee position as on 31st January 2021 is total 152 sanctioned posts and 96 working strength 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 and one post of OA-GR-III 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, one SE is given current charge of Addl C.E, One EE is given Current charge of SE and also two AEs & two JEs is given current charge of EE & AE respectively.

The detail of sanctioned, working and vacant position in SLDC as on 31-01-2021 is Annexed in Annexure OC1.

The projections of SLDC Fee and Charges for FY 2021-22, under various heads and the information related to various formats of the regulation are mentioned hereunder:-

The employee cost for FY 2021-22 has been worked out for the working strength at SLDC & Sub-LDCs as on 31.01.2021 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, lumsum projection for training & certification fees for specialist level and management level training programs and various workshop, training etc. has been made during FY 2021-22. 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 5th 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 2021-22 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 2021-22, 5 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 53.65 lakhs shall be required to pay on account of Leave encashment.

The total employee cost works out to Rs. 1258.21 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 21-22 has been worked out for the working strength at SLDC & Sub-LDCs as on 31-01-2021. 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 January-21 plus one notional increment which is due on July-20 and considering One increment w.e.f. July-21 and applicable allowance thereon.*
- (b) The detail of sanctioned, working and vacant position in SLDC as on 31-01-2021 is Annexed as Annexure OC-1.*

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 @ 12% , hence, SLDC has considered @ 12% for whole year. It is requested to Hon'ble Commission that actual DA may be considered in true-up for FY 2021-22.*
- (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 2021-22.*
- (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), Wide Band Communication Systems, IT & Computer systems, Cyber Security and Information Security Management System (ISMS), RE forecasting, AGC, etc. Accordingly, lumsun projection for training & certification fees for specialist level and management level training programs has also been made during FY 21-22*
- (vii) *The provision towards Ex-Gratia/bonus for ARR for Ay 2021-22 is not considered, however, it is requested that Hon'ble commission may kindly consider, if it is required to paid by SLDC in True- up process for FY 2021-22. 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 21-22.*
- (viii) *The provision towards leave encashment at retirement has been considered for 5 no. officer/employee who are retiring the during the FY 2021-22.*
- (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.*
- (x) *No Provision has been made towards arrears of Increment which is due from July-20 and also no provision has been made towards DA arrears from July-19. It is requested that Hon'ble Commission may please allow SLDC, if required to be paid in FY 2021-22 in true up for FY 2021-22.*

Commission's Analysis:

34. Vide Commission's letter No. 1161 dated 12/08/2021, the issues including those related to Employee expenses were raised. Vide letter No. 1637 dated 31/08/2021, SLDC submitted its point wise response on all issues raised by the Commission. Further vide Commission's letter No. 1366 dated 16/09/2021 the issues which needed more clarity were raised. Vide its letter No. 1863 dated 29/09/2021, SLDC submitted amended petition reducing its claim for ARR and incorporating required amendments in the petition. Subsequently, vide its letter No. 524 dated 01/10/2021, SLDC submitted its detailed point wise response. These have been mentioned in detail in earlier paragraphs of this order and have not been repeated for brevity.

35. The Commission observed that in the amended petition SLDC has considered salary projection of retired employee up to date of their retirement only. Further the nominal D.A. which was taken as 31% from July-2021 and 34% from January-22 for FY 2021-22 in the original petition was revised in line with the State Government Orders and hence, SLDC has considered @ 12% for whole year. Due to these changes the claim for Employee expenses has been reduced from Rs 1422.17 Lakhs to Rs 1258.21 Lakhs.
36. Considering the above, the following employee related expenses are considered for FY 2021-22:

| Amount (Rs. Lakhs) | | | | |
|---------------------------|--------------------------|---|--|---------------------------------|
| S. No. | Particulars | Claimed by SLDC in Original Petition | Claimed by SLDC in Amended Petition | Considered in this Order |
| 1 | Employee Expenses | 1422.17 | 1258.21 | 1258.21 |

Administration and General Expenses:

37. **Petitioner's Submission:**

The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2020-21 works out to Rs. 235.22 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 2021-22.*
- (ii) **Insurance:** *A lump sump 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 herewith as AG1.*

- (iv) **Consultancy Charges:** *The projections towards consultancy charges have been kept for obtaining consultancy services regarding Information Security Management System (ISMS), energy Audit & preparation of scheme for upcoming projects like Wide Area Management System (WAMS)/Wide band Communication system/ Renewable Energy Management System 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 and for various levels of system operation trainings.*
- (vi) **Hiring of Vehicle:** *Presently five number vehicle are hired for SLDC i.e. one for Chief Engineer (SLDC), one for Additional Chief Engineer /SE (Operation), one for SE(LD:E&T) and one each for Backup SLDC, Bhopal & Sub-LDC Indore. Accordingly, the projection towards hiring of five number vehicle is considered for FY 2021-22.*
- (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 2021-22 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 91.84 lakhs has been considered in FY 2021-22. Further, MPPMKVVCL is also preparing mechanism towards adjustment of Electricity charges from SLDC Fee and Charges, hence, the expected electricity charges from Back-up SLDC, Bhopal is also considered. 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 to Hon'ble commission may kindly approve during the true-up process for FY 2021-22, 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 Nine no of computer operators (5 in highly Skill and 4 in skill category and out of highly skill computer operators 3 operators are working in shift) through Man Power supplier Contract so that the projection towards outsource of Nine no of computer operators for the FY 2020-21 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:

38. The petitioner has claimed Rs. 235.22 Lakhs under Administration and General expenses. The detailed break-up of these expenses are given in Format F-5 of the petition. It is observed that SLDC has claimed Rs. 91.84 Lakhs towards Payment of Electricity Charges, Rs 20.58 Lakhs for work outsourcing expenses & Rs 10 Lakhs for consultancy charges. Vide Commission's letter dated 12/08/2021, SLDC was asked to file clarification under certain heads like electricity expenses, legal charges and Consultancy charges etc, as detailed in earlier paragraphs of this order.
39. By affidavit dated 26/08/2021, the petitioner filed detailed reply on each issue raised by the Commission, and the same has been elaborated in preceding part of this order. Considering the reply filed by SLDC under this head, Administration and General expenses allowed for FY 2021-22 are given as below:

(Amount Rs. Lakhs)

| S. No. | Particular | Claimed in original petition | Claimed in amended petition | Considered in this Order |
|---------------|--|-------------------------------------|------------------------------------|---------------------------------|
| 1. | Administration and General Expenses | 235.22 | 235.22 | 235.22 |

Repair and Maintenance Charges:**40. Petitioner's Submission:**

The Repair and maintenance expenses for the year 2021-22 are estimated to Rs. 228.29 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 roof treatment of SLDC Building at Govindpura, Bhopal, replacement and beautification of the SLDC Main Gate & adjacent area, replacement of AC sheet of Vehicle Stand and Old Parking Shed, internal painting of SLDC Building and Maintenance & strengthening of sanitation/water supply system, development of garden/landscaping and Other routine Civil maintenance work etc.

The five-year R&M plan of SLDC, Backup SLDC & Sub LDC for FY 2020-21 to FY 2024-25 is also annexed herewith as Annexure RM1.

The Repair & Maintenance projections for Ensuing Year have been worked out considering the R&M expenses of SLDC, Sub-LDC Indore & Backup SLDC Bhopal. The R&M projection include maintenance charges of SCADA/EMS, Wideband Communication system, URTDSM system, ABT, OA and MIS system, maintenance of Auxiliary Power Supply system comprising of UPS, battery banks and Diesel Generator Sets, Air Conditioning plant and split air conditioners, CCTV based surveillance system, maintenance of office equipment, maintenance of building & system support services and the house keeping of backup SLDC building at Bhopal and new Sub-LDC building at Indore are considered in R&M expenses for FY 2020-21.

Commission's Analysis:

41. The petitioner claimed Repair and Maintenance expenses of **Rs. 228.29 Lakhs**. Detailed breakup of repair and maintenance expenses for FY2021-22 is given at Format F-6 of the petition.

It was observed that as per form F-6, repair and maintenance expenditure on plant and machinery was Rs. 69.92 Lakhs in FY 2019-20. This has been projected to increase to Rs. 151.27 Lakhs in FY 2021-22. The R & M expenditure for civil works is expected to increase from nil to Rs. 45 Lakhs during the same period. Vide letter No. 1161 dated 12/08/2021, SLDC was asked to submit reasons for this substantial increase in projections for R & M expenditure.

Vide its letter No. 1637 dated 31-08-2021 SLDC submitted as under:

“With reference to higher projection of R&M charges for FY 2021-2022, it is to submit that the approved R&M charges for FY 2020-21 is Rs. 200.89 Lakhs and projected R&M charges of Rs 228.29 lakh submitted for FY2021-2022 is just marginally higher than the approved R&M charges for previous year. 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. 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 shall commence from 01 April 2021 & 15-08-2021 respectively. The PSS/E software maintenance and support cost shall also require to be paid first time during the FY 2021-22. In addition to this it is also to mention that in FY 2020-2021, 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, improvement/strengthening of sanitation work, water supply system, development of garden, land scaping, renovation of false flooring, aluminum partition etc are also to be taken up in 2021-22. The expenditure towards civil works is considered based on the requirement received from civil section. The details of Repairs & Maintenance Expenditure for Five years is enclosed herewith as Annexure- IV.”

42. The Commission observed that the estimated increase in R&M expenses is mainly on account of AMC of SCADA/ EMS system. The projections have been made towards maintenance of building (including Backup SLDC at Bhopal & Sub-LDC Indore) and various civil works proposed. Considering the reasons filed by petitioner, the R&M expenditure of **Rs. 228.29 Lakhs** for FY 2021-22 is allowed in this order subject to true-up.

Return on Equity and Depreciation:

Petitioner's Submission:

43. 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 92.74 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 37.31 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to Rs 12.45 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 21-22.

SLDC has further submitted as under:

As per GoMP notification No. 292 dated 12th June 2008 regarding final opening balance sheet of MPPGCL, MPPTCL, Discoms and residual MPSEB, the assets of SLDC (Rs 242.80 as on 1st June 2005) are included in the assets of MPPTCL and no separate balance sheet is notified for SLDC. As per order passed by MPERC for SLDC fee & Charges for FY 2007-08, the expenses towards Depreciation, Interest on Loan, Return on Equity (ROE) & Income tax shall be payable based on actual equity employed by SLDC/allocated to SLDC. The provisions for Depreciation, ROE & Income Tax were not allowed for FY 2008-09. Accordingly, no provisions are made for ROE, Depreciation & Income Tax in the ARR for FY 2020-21.

However, to have a tentative assessment, the depreciation on SLDC assets is worked out based on the assets identified by the GoMP and the assets added subsequently. The depreciation has been worked out as per depreciation rates notified by Central Electricity Regulatory Commission notification dated 19-01-09 and GOI, Ministry of Corporate Affairs and General, Circular No.51/23/2011-CL-III dated 31-05-11. The ROE has been calculated with normative debt to equity ratio as 70:30.

Commission's Analysis:

44. 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 12th 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:

45. **Petitioner's Submission:**
Interest and Finance Charges:

The interest and finance charges comprise of only one component i.e. Interest on Working Capital (Form F8).

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. 143.48 Lakhs.

Interest on Working Capital: -

As per third amendment in regulation of SLDC fee and charges notified on 19th Nov 2010, the Rate of interest on working capital has to be considered on normative basis equal to the Base Rate of State Bank of India as on 1st April of the year plus 4%. Accordingly the rate of IWC has been taken as 12.15 % (Base Rate 8.15% wef 1st April

2020). However, at present no interest on working capital is considered and the same will be claimed in true-up for FY 2021-22 if required.

Interest & Finance Charges:

The interest and finance charges comprise of only one component i.e. Interest on working capital. The Capex requirement of SLDC shall be met from 50% amount of Scheduling & Operation charges retained for infrastructure development of SLDC as per MPERC (Levy and Collection of Fee and Charges by SLDC) Regulations, 2004.

Commission's Analysis:

46. The Petitioner had filed interest on working capital of **Rs. 19.09 Lakhs** in the original petition. The petitioner has not filed any Interest and finance charges on loan for capital works. On scrutiny of the petition, the Commission has observed that the petitioner has not taken working capital loan from any agency and consequently has not incurred any expenditure on working capital.
47. During FY 2021-22, 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 is expected to be Rs. 1914.60 Lakhs as on 01/04/2021.
48. By affidavit dated 31/08/2021, the petitioner submitted the following:
"MPERC (Levy & Collection of SLDC fee & charges) Regulation-2004, 9.9 (ii) provides that IWC shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or exceeded the working capital loan based on normative figures. The IWC amount of Rs. 21.16 Lakhs has been projected in ARR in accordance with above regulation.
*Looking to the availability of capex fund and proposed capital works at SLDC, **there is no shortage of fund. Accordingly, no working capital is proposed to be raised during FY 2021-22.***
49. 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 same aforesaid status, the Commission had not approved any interest on working capital in past tariff orders also on the above-mentioned reasons. Therefore, the Commission has not considered interest on working capital for FY 2021-22 also in this order. The Commission has considered the actual expenses incurred by SLDC in

its true-up petition for FY 2019-20 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 2021-22.

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

50. **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, the amount of TDS is not claimed by SLDC.

Commission's Analysis

51. The above claim of SLDC 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:

52. **Petitioner's Submission:**

***Other Income:-** A lump sum provision for FY 21-22 for Rs. 5.0 Lakh 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:

53. The Other Income mainly comprises revenue from other Fee & Charges, Scheduling & Operation charges, Connectivity charges & application processing fee etc. The petitioner filed following other income estimated for FY 2020-21 :

(Amount Rs. Lakhs)

| S. No. | Particulars | FY (2021-22) |
|---------------|--|---------------------|
| 1 | Scheduling & Operation Charges (50% as income) | 350.00 |
| 2 | Connectivity Charges | 16.00 |
| 3 | Application processing fee for STOAC | 70.00 |
| 4 | Staff related other income | 5.00 |
| | Total | 441.00 |

54. 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 |
|---------------------------------------|---------|---------|---------|---------|---------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| Actual Other income in True-up orders | 277.13 | 297.87 | 365.94 | 360.65 | 402.44 |

55. Based on the abovementioned position, the Commission has observed that the actual other income has increased from Rs.277.13 Lakhs during FY 2015-16 to Rs. 402.44 Lakhs during FY 2019-20. In view of the above, the Commission has considered Rs. 441.00 Lakhs as SLDC's other income (as claimed by petitioner) for FY 2021-22 in this order. However, the actual other income shall be considered and adjusted appropriately while taking true up exercise for FY 2021-22.

True-up of SLDC Tariff Order for FY 2019-20 based on Financial Statements:

56. **Petitioner's Submission:**

ACTUAL EXPENSES & TRUE UP FOR FY 2019-20 :

The expenses towards Employee cost, A&G and R&M for FY 2019-20, shown in forms of the petition for FY 21-22, are on the basis of Financial Statements of SLDC for the FY 19-20. 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 19-20 and the figures shown in formats of the petition, is due to following reasons.

Amount (Rs. Lakhs)

| Particulars | Financial statement Ref. | | Petition Ref. | | Difference | Remark |
|--|--------------------------|---------|---------------|---------|------------|---------------|
| | Note | Amount | Form No | Amount | | |
| Employee Cost | 18 | 1187.89 | F4 | 1194.04 | -6.15 | Explanation 1 |
| A & G Expenses | 21 | 157.53 | F5 | 156.28 | 1.25 | Explanation 2 |
| SLDC charges (excluding True Up charges of Rs - 226.17 Lakhs for FY 2018-19) | 16 | 2090.17 | F1 | 1772.98 | 317.19 | Explanation 3 |

- 1) *The employee cost of Rs. 1194.04 Lakhs mentioned in Form F4 comprises of actual employee cost of Rs. 1187.89 Lakhs and training expenses of Rs. 6.15 Lakhs. Further, the training expense Rs. 6.15 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. 1194.04 Lakhs as mentioned in Form F4 is claimed for true up.*
- 2) *The A & G expenses of Rs. 157.53 Lakh mentioned in Note 21 of Financial statement comprises of various A&G expenses of Rs. 151.37 Lakhs, the Banking charges of Rs. 0.01 Lakhs and the Training expenses of Rs. 6.15 Lakhs. However, the Discount to Customers for Timely payment of SLDC Bill of Rs 4.90 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. 156.28 Lakhs shown in form F5 are exclusive of banking charges and Training charges because the banking charges are shown in Form F8 and training charges are shown in Form F4. However, Discount to Customers for Timely payment of SLDC Bill of Rs 4.90 Lakhs has been shown in Form F5 of the Financial Statement under the Head B (Other Charges)(viii). Therefore, A&G expenses of Rs. 156.28 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. 1772.98 Lakhs shown in Form F1 includes Rs. 322.10 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. 322.10 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (Rs.322.10 Lakhs) and 50% amount retained for capex (Rs. 322.09 Lakhs). The amount of ` 2090.17 Lakhs shown in Note 16 of financial statement include Rs. 644.19 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 4.90 Lakhs is also decrease from Total Revenue. Hence, Net Increase in Note 16 of Financial Statement is works out Rs 317.19 Lakhs (Rs 322.10 Lakhs Less 4.90). Therefore, the amount of Rs. 1772.98 Lakhs as shown in Form F1, is actual earning for FY 19-20 claimed for true up.*

In view of above, expenses approved in ARR of FY 2019-20 vis -a -vis Actual expenses as per financial statement of FY 2019-20 are summarized below for Reconciliation / True- up in the ARR for FY 21-22.

True up of FY 19-20 accounts with FY 19-20 Order:

Expenses:

| Particular | Amount (Rs. Lakhs) | | |
|-----------------------------------|---|--------------------------------|---|
| | Expenses as allowed in ARR for FY 2019-20 | Actual Expenses for FY 2019-20 | Differences (Allowed-Actual) to be reconciled |
| Employee Costs | 1315.36 | 1194.04 | 121.32 |
| Administration & general Expenses | 242.83 | 156.28 | 86.55 |
| Repairs & Maintenance Expenses | 196.62 | 85.60 | 111.02 |
| Interest & Finance Charges | 0.00 | 0.01 | (-)0.01 |
| Total | 1754.81 | 1435.93 | 318.88 |

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 2019-20 was Rs. 252 Lakhs , the actual income works out to Rs. 402.44 Lakhs as given below :

| Particular | Amount (Rs. Lakhs) | | |
|--|---|------------------------------|---|
| | Income as allowed in ARR for FY 2019-20 | Actual income for FY 2019-20 | Differences (Allowed-Actual) to be reconciled |
| 50% of Scheduling & Operating Charges. | 175.00 | 322.10 | (-) 147.10 |
| Connectivity Charges | 12.00 | 15.50 | (-) 3.50 |
| Application Charges | 60.00 | 60.25 | (-) 0.25 |
| Sub Total | 247.00 | 397.85 | (-)150.85 |
| Other miscellaneous receipts as mentioned in Form F2 | 5.00 | 4.59 | 0.41 |
| TOTAL | 252.00 | 402.44 | (-) 150.44 |

Net amount to be reconciled & adjusted in ARR of FY 2021-22 works out to (318.88 - (-) 150.44) i.e. Rs. 469.32 Lakhs.

Commission's Analysis:

57. Vide letter No. 1161 dated 12/08/2021, the Commission raised issues of miscellaneous receipts, income from O&S Charges, connectivity charges, A&G Charges and Employee Cost mentioned by SLDC in this petition. Vide letter No. 1637 dated 31/08/2021, SLDC submitted its point wise response on all issues raised by the Commission. These have been mentioned in detail in earlier paragraphs of this order and have not been repeated for sake of brevity.
58. The Commission has considered the above submission of SLDC and allowed the net amount of **Rs. 469.32 Lakhs** against true-up of FY 2019-20 to be reconciled and adjusted in ARR of FY 2021-22 in this order.

Summary of Annual Revenue Requirement:

59. Based on all aforesaid analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2021-22 in this order:

Summary of the ARR as approved by the Commission for FY 2021-22:**Amount (Rs. Lakhs)**

| Sr. No. | PARTICULARS | ARR claimed in original Petition | ARR claimed in Amended Petition | As approved by MPERC in this Order |
|---------|--|----------------------------------|---------------------------------|------------------------------------|
| 1 | Employee Cost | 1422.17 | 1258.21 | 1258.21 |
| 2 | Administration and General Expenses | 235.22 | 235.22 | 235.22 |
| 3 | Repairs and Maintenance Expenses | 228.29 | 228.29 | 228.29 |
| 4 | Depreciation | 0 | 0 | 0 |
| 5 | Interest and finance charges | 19.09 | 0 | 0 |
| 6 | Return on equity/Investments | 0 | 0 | 0 |
| 7 | Provision for Income Tax | 0 | 0 | 0 |
| | TOTAL | 1904.77 | 1721.72 | 1721.72 |
| 8 | Less: Revenue from other Charges (i.e S&O (50%), Connectivity charges & Application Processing Fee | 436.00 | 436.00 | 436.00 |
| 9 | Less: Other Income | 5.00 | 5.00 | 5.00 |
| | Annual Revenue Requirement for FY 2021-22 | 1463.77 | 1280.72 | 1280.72 |
| | True-up of ARR for FY 2019-20 | (-) 469.32 | (-) 469.32 | (-) 469.32 |
| | Net ARR claimed for FY 2021-22 | 994.45 | 811.40 | 811.40 |

Allocation of Annual SLDC Charges:

60. In form F1 of the subject petition, SLDC has filed a total transmission Capacity of 23421.24 MW for FY 2021-22. As per Regulation 11.2 of the MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 (Revision-1, 2006), the allocation of SLDC charges to individual Licensees and Open Access customers having the Long-Term Agreements shall be in proportion of share allocation to the total transmission capacity determined by the Commission. It is observed that vide order at 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 23421.24 MW for FY 2021-22. SLDC has submitted the same transmission capacity in its subject petition for FY 2021-22. Considering the transmission capacity of 23421.24 MW as filed by SLDC and the ratio of allocation among long term open access customers filed in form F-1 in the petition, the following allocation of annual SLDC charges is considered for FY 2021-22:

Annual SLDC Charges for Long - Term Open Access Customers for FY 2021-22

| Sr. No. | Particulars | Long-Term Open Access customers | | | | | Total |
|---------|--|---------------------------------|-------------|----------------|------------|--------|---------------------------|
| | | East Discom | West Discom | Central Discom | SEZ Indore | WCR | |
| 1 | Total annual SLDC charges (Rs. Lakhs) | | | | | | 811.40 |
| 2 | Long-term allocation of Transmission Capacity (MW) | 6791.39 | 8149.39 | 8090.46 | 60.00 | 330.00 | 23421.24 |
| 3 | Annual SLDC charges payable by Long-Term Open Access customers (Rs. Lakhs) | 235.28 | 282.33 | 280.28 | 2.08 | 11.43 | 811.40 |
| 4 | Annual SLDC charges payable by Long-Term Open Access customers (Rs./ MW) | | | | | | Rs. 3464.38 per MW |

Summary of Fees and Charges:

61. The following table summarizes the fees and charges approved by the Commission for use of SLDC services:

Applicability and levy of various SLDC fees and charges for FY 2021-22

| Sr. 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 | 1,00,000 | Yes | Once for a month or part thereof | 5,000 |
| | | 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 | Rs 3464.38 per MW of allocated transmission capacity | No | -- | -- |
| 3 | Operation & Scheduling | No | -- | -- | Yes | Per transaction per day or part thereof | 3,000 |
| 4 | Revising schedule (other than RE Generators) | Yes | For each revision | 3,000 | Yes | For each revision | 3,000 |

* 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.

62. The Fees and Charges determined in this order shall be effective from 1st April' 2021 till 31st March' 2022. The petitioner shall take steps to implement this order after giving seven (7) days public notice in accordance with regulation 1.30 of MPERC (Details to be furnished and fee payable by licensee or Generating company for determination of tariff and manner of making application) Regulations, 2004 and its amendments and calculate the bills of SLDC charges to the Long Term Open access customers other than renewable sources w.e.f. 1st April' 2021 onwards and shall also provide information to the Commission in support of having complied with this order.

Ordered Accordingly.

(Shashi Bushan Pathak)
Member

(Mukul Dhariwal)
Member

(S. P. S. Parihar)
Chairman

Place:- Bhopal

Dated:- 6th December' 2021