



**ASSAM ELECTRICITY REGULATORY COMMISSION  
(AERC)**

**TARIFF ORDER**

**June 27, 2024**

**TRUE-UP FOR FY 2022-23, APR FOR FY  
2023-24 & Revised ARR FOR FY 2024-25**

**And**

**SLDC charges for FY 2024-25**

**State Load Despatch Centre (SLDC)**

**Petition No. 31/2023**

# Table of Contents

<b>1</b>	<b><u>INTRODUCTION</u></b>	<b>12</b>
1.1	CONSTITUTION OF THE COMMISSION	12
1.2	TARIFF RELATED FUNCTIONS OF THE COMMISSION	12
1.3	BACKGROUND	13
1.4	MULTI YEAR TARIFF REGULATIONS, 2021	13
1.5	PROCEDURAL HISTORY	15
1.6	STATE ADVISORY COMMITTEE MEETING	17
<b>2</b>	<b><u>SUMMARY OF SLDC'S PETITION</u></b>	<b>18</b>
2.1	BACKGROUND	18
2.2	TRUE-UP FOR FY 2022-23	18
2.3	ANNUAL PERFORMANCE REVIEW FOR FY 2023-24	19
2.4	ARR FOR FY 2024-25	19
2.5	SLDC CHARGES FOR FY 2024-25	20
2.6	PRAYERS OF SLDC	21
<b>3</b>	<b><u>BRIEF SUMMARY OF STAKEHOLDERS' COMMENTS, RESPONSE OF THE SLDC AND COMMISSION'S VIEW</u></b>	<b>22</b>
<b>4</b>	<b><u>TRUING UP FOR FY 2022-23</u></b>	<b>30</b>
4.1	METHODOLOGY FOR TRUING UP	30
4.2	O&M EXPENSES	30
4.3	CAPITALISATION	36
4.4	DEPRECIATION	37
4.5	INTEREST AND FINANCE CHARGES	38
4.6	RETURN ON EQUITY	40
4.7	INTEREST ON WORKING CAPITAL (IOWC)	41
4.8	INCOME TAX	42
4.9	NON-TARIFF INCOME	43
4.10	STATUS OF SAMAST FUND	44
4.11	ARR AFTER TRUING UP OF FY 2022-23	45

<b><u>5</u></b>	<b><u>ANNUAL PERFORMANCE REVIEW FOR FY 2023-24</u></b>	<b><u>46</u></b>
5.1	METHODOLOGY FOR ANNUAL PERFORMANCE REVIEW	46
5.2	OPERATION AND MAINTENANCE EXPENSES	46
5.3	CAPITALISATION	51
5.4	DEPRECIATION	51
5.5	INTEREST AND FINANCE CHARGES	52
5.6	RETURN ON EQUITY	53
5.7	INTEREST ON WORKING CAPITAL (IOWC)	54
5.8	NON-TARIFF INCOME	55
5.9	STATUS OF SAMAST FUND	56
5.10	ARR AFTER ANNUAL PERFORMANCE REVIEW OF FY 2023-24	57
5.11	REVENUE GAP/(SURPLUS) FOR FY 2023-24	58
<b><u>6</u></b>	<b><u>REVISED ARR OF SLDC FOR FY 2024-25</u></b>	<b><u>59</u></b>
6.1	INTRODUCTION	59
6.2	OPERATION AND MAINTENANCE EXPENSES	59
6.3	CAPITALISATION	64
6.4	DEPRECIATION	68
6.5	INTEREST ON LOAN CAPITAL	69
6.6	RETURN ON EQUITY	70
6.7	INTEREST ON WORKING CAPITAL	71
6.8	NON-TARIFF INCOME	72
6.9	BACK UP SLDC BUILDING	73
6.10	STATUS OF SAMAST FUND	74
6.11	SUMMARY OF ARR FOR FY 2024-25	75
<b><u>7</u></b>	<b><u>ANNUAL SLDC CHARGES FOR FY 2024-25</u></b>	<b><u>77</u></b>
7.1	CUMULATIVE REVENUE GAP/(SURPLUS) AND NET ARR FOR RECOVERY	77
7.2	SLDC TARIFF FOR FY 2024-25	78
7.3	APPLICABILITY OF TARIFF	79
<b><u>8</u></b>	<b><u>DIRECTIVES</u></b>	<b><u>80</u></b>
<b><u>9</u></b>	<b><u>ANNEXURES-1</u></b>	<b><u>83</u></b>

## LIST OF TABLES

Table 1: True-up for FY 2022-23 (Rs. Crore).....	18
Table 2: Annual Performance Review for FY 2023-24 (Rs. Crore).....	19
Table 3: ARR for FY 2024-25 (Rs. Crore).....	19
Table 4: SLDC Charges for FY 2024-25 (Rs. Crore).....	20
Table 5: Normative O&M Expenses for FY 2022-23 (Rs. Crore).....	31
Table 6: Approved Employee Expenses for FY 2022-23 (Rs. Crore) .....	32
Table 7: Approved R&M Expenses for FY 2022-23 (Rs. Crore).....	33
Table 8: Approved A&G Expenses for FY 2022-23 (Rs. Crore) .....	34
Table 9: Normative O&M Expenses approved by Commission for SLDC for FY 2022-23 (Rs. Crore).....	35
Table 10: Sharing of gains/(losses) for O&M Expenses for FY 2022-23 (Rs. Crore)	35
Table 11: Actual Capitalisation (Rs. Crore).....	36
Table 12: Funding of Capitalisation for FY 2022-23 (Rs. Crore) .....	36
Table 13: Capital Expenditure and Capitalisation for FY 2022-23 approved by Commission (Rs. Crore).....	37
Table 14: Depreciation approved for FY 2022-23 (Rs. Crore).....	38
Table 15: Approved Interest on loan Capital for FY 2022- 23(Rs. Crore).....	39
Table 16: Conversion of Grant to Equity approved by the Commission for FY 2022-23 (Rs. Crore) .....	40
Table 17: Return on Equity approved by the Commission for FY 2022-23 (Rs. Crore) .....	41
Table 18: Interest on Working Capital for FY 2022-23 (Rs. Crore).....	41
Table 19: loWC for FY 2022-23 as approved by the Commission (Rs. Crore) .....	42
Table 20: NTI for FY 2022-23 (Rs. Crore).....	43
Table 21: NTI approved by the Commission for FY 2022-23 (Rs. Crore).....	43
Table 22 : Status of SAMAST fund at the end of FY 2022-23 (Rs. Crore).....	44
Table 23 : ARR approved after Truing up for FY 2022-23 (Rs. Crore) .....	45

Table 24 : Normative O&M Expenses Projected by SLDC for FY 2023-24 (Rs. Crore)	46
Table 25 : Approved Employee Expenses for FY 2023-24 (Rs. Crore)	48
Table 26 : Approved R&M Expenses for FY 2023-24 (Rs. Crore)	49
Table 27 : Approved A&G Expenses for FY 2023-24 (Rs. Crore)	50
Table 28 : Approved O&M Expenses for FY 2023-24 (Rs. Crore)	50
Table 29 : Depreciation approved for FY 2023-24 (Rs. Crore)	52
Table 30 : Approved Interest on loan Capital for FY 2023-24 (Rs. Crore)	53
Table 31: Conversion of Grant to Equity approved by the Commission for FY 2023-24 (Rs. Crore)	54
Table 32 : Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)	54
Table 33: IoWC for FY 2023-24 as approved by the Commission (Rs. Crore)	55
Table 34 : NTI approved by the Commission for FY 2023-24 (Rs. Crore)	56
Table 35 : Status of SAMAST fund at the end of FY 2023-24 (Rs. Crore)	57
Table 36 : ARR approved after APR for 2023-24 (Rs. Crore)	57
Table 37: Revenue Gap/(Surplus) after APR for FY 2023-24 (Rs. Crore)	58
Table 38 : Approved Employee Expenses for FY 2024-25 (Rs. Crore)	61
Table 39 : Approved R&M Expenses for FY 2024-25 (Rs. Crore)	63
Table 40 : Approved A&G Expenses for FY 2024-25 (Rs. Crore)	64
Table 41 : Approved O&M Expenses for FY 2024-25 (Rs. Crore)	64
Table 42 : Capitalisation for FY 2024-25 and Funding (Rs. Crore)	66
Table 43 : Capitalisation approved by the Commission for FY 2024-25 (Rs. Crore)	66
Table 44 : Funding of Capitalisation approved by the Commission for FY 2024-25 (Rs. Crore)	67
Table 45 : Depreciation approved for FY 2024-25 (Rs. Crore)	68
Table 46 : Approved Interest on Loan for FY 2024-25 (Rs. Crore)	70

Table 47: Conversion of Grant to Equity approved by the Commission for FY 2024-25 (Rs. Crore) .....	71
Table 48: Return on Equity approved by the Commission for FY 2024-25 (Rs. Crore) .....	71
Table 49 : IoWC approved by the Commission for FY 2024-25 (Rs. Crore).....	72
Table 50 : NTI approved by the Commission for FY 2024-25 (Rs. Crore).....	72
Table 51 : Status of SAMAST fund at the end of FY 2024-25 (Rs. Crore).....	75
Table 52 : ARR of SLDC for FY 2024-25 as approved by the Commission (Rs. Crore) .....	75
Table 53 : Revenue Gap/(Surplus) for FY 2022-23 with carrying cost (Rs. Crore)..	77
Table 54 : Revenue Gap/(Surplus) for FY 2022-23 approved for recovery/adjustment in FY 2024-25 (Rs. Crore) .....	77
Table 55 : Carrying/ (Holding) Cost on Revenue Gap/(Surplus) for FY 2022-23 approved by the Commission (Rs. Crore).....	78
Table 56 : SLDC Charges approved by the Commission for FY 2024-25 .....	78

## List of Abbreviations

A&G	Administrative and General
ABITA	Assam Branch of Indian Tea Association
ADB	Asian Development Bank
AEGCL	Assam Electricity Grid Corporation Limited
AERC	Assam Electricity Regulatory Commission
APDCL	Assam Power Distribution Company Limited
APGCL	Assam Power Generation Corporation Limited
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AS	Accounting Standards
ASEB	Assam State Electricity Board
BST	Bulk Supply Tariff
CAG/C&AG	Comptroller and Auditor General
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPC	Central Pay Commission
CPI	Consumer Price Index
CSGS	Central Sector Generating Stations
CTU	Central Transmission Utility
CWIP	Capital Work-In-Progress
DA	Dearness Allowance
DISCOM	Distribution Company
EAP	Externally Aided Projects
EPFI	Employees' Pension Fund Investment
FAR	Fixed Asset Register
FCC	Financial Completion Certificate
FINER	Federation of Industry and Commerce of North Eastern Region
FIRR	Financial Internal Rate of Return
GFA	Gross Fixed Assets
GoA	Government of Assam
GPF	General Provident Fund
H1	First Half of the year

H2	Second Half of the year
HRA	House Rent Allowance
IWC/loWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt Hour
LTA	Leave Travel Allowance
MCA	Ministry of Corporate Affairs
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NERLDC	North Eastern Region Load Despatch Centre
NTPC	NTPC Ltd.
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
R&M	Repairs and Maintenance
RoE	Return on Equity
ROI	Rate of Interest
RLDC	Regional Load Despatch Centre
ROP	Revision of Pay
SAC	State Advisory Committee
SBI	State Bank of India
SLDC	State Load Despatch Centre
SLM	Straight Line Method
STOA	Short Term Open Access
STU	State Transmission Utility
TSC	Transmission Service Charges
TVS	Technical Validation Session
WPI	Wholesale Price Index



# **ASSAM ELECTRICITY REGULATORY COMMISSION**

**Guwahati**

Present

**Shri K. S. Krishna, Chairperson**

**Shri S. N. Kalita, Member**

**Shri A. Bhattacharyya, Member**

**Petition No. 31/2023**

**State Load Despatch Centre (SLDC) - Petitioner**

## **ORDER**

**(Passed on June 27, 2024)**

- (1) Assam Electricity Grid Corporation Ltd. (AEGCL) filed Petitions for approval of Truing up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and revised ARR for FY 2024-25 and determination of SLDC charges for FY 2024-25 for State Load Despatch Centre (SLDC) on November 30, 2023. The same was registered as Petition No. 31/2023.
- (2) The Commission observed that there were few inconsistencies in the Petition. The Commission raised queries in order to clarify the discrepancies, inconsistencies, and data gaps. The Commission sought additional data and clarifications on the Petition vide letter dated December 13, 2023.
- (3) The Commission held an Admissibility Hearing on December 14, 2023 and admitted the Petition (Petition No.31/2023) vide Order dated December 14, 2023 with direction to furnish the additional data and clarifications, as sought vide letter dated December 13, 2023, by December 26, 2023.

- (4) On admission of the Petition (Petition No.31/2023), in accordance with Section 64 of the Electricity Act, 2003, the Commission directed AEGCL to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.
- (5) Accordingly, a Public Notice was issued by the AEGCL inviting objections/suggestions from respondents to be submitted on or before January 12, 2024. The abridged form of the petition and short notice for SLDC was published in seven (7) leading newspapers of the State, as shown in the Table below:

<b>Sl. No.</b>	<b>Name of Newspaper</b>	<b>Date</b>
1	The Assam Tribune	18.12.2023
2	Dainik Janambhumi	18.12.2023
3	Dainik Purvoday	18.12.2023
4	Dainik Jugasankha	18.12.2023
5	Echo of India	18.12.2023
6	Bodosa	19.12.2023
7	Arleng Daily	19.12.2023

- (6) A copy of the Petition and other relevant documents were also directed to be made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL and office of SLDC. A copy of the Petition was also made available on the websites of the Commission and SLDC.
- (7) In response to the Commission's letter dated December 13, 2023, AEGCL submitted their replies to data gaps on December 26, 2023.
- (8) A Technical Validation Session (TVS) was also held on January 08, 2024 at the conference room of the Commission.
- (9) Following the TVS, additional data and clarifications were sought on January 09, 2024 and subsequently on January 25, 2024. AEGCL submitted their replies on January 12, 2024 and January 30, 2024, respectively.
- (10) The Petitions were also discussed in the 33<sup>rd</sup> meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on January 10, 2024 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

- (11) The Commission received suggestions/objections from one (1) stakeholder on the Petition filed by AEGCL for SLDC. Petitioner was asked to submit its responses to the submissions of the stakeholder. The stakeholder was notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A notice was also published in Newspapers inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 29, 2024 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petition. The details are discussed in Chapters attached to this Order.
- (12) The Commission, now in exercise of its powers and functions vested under Sections 61, 62, 86 and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf and taking into consideration the submissions made by the Petitioner, objections and suggestions received from stakeholders and all other relevant materials on record, has approved the Truing up for FY 2022-23, APR for FY 2023-24, revised ARR for FY 2024-25 and Charges for FY 2024-25 for SLDC as detailed in Chapters attached to this Order.
- (13) The Commission directs AEGCL to publish a Public Notice intimating the SLDC Charges before the implementation of this Order, in English and Vernacular newspapers and on the website of AEGCL and SLDC.
- (14) The approved SLDC Charges shall be effective from April 1, 2024 and shall continue until replaced by any subsequent Order of the Commission. The under/over recovery in monthly SLDC Charges for the months of April, May, and June 2024 on account of levy of monthly SLDC Charges approved in the Tariff Order for FY 2023-24, shall be billed/adjusted equally in the bills of subsequent months in FY 2024-25 (July 2024 to March 2025) raised to APDCL.

Accordingly, the Petition Nos. 31/2023 stands disposed of.

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>(A. Bhattacharyya)</b>	<b>(S.N. Kalita)</b>	<b>(K. S. Krishna)</b>
<b>Member, AERC</b>	<b>Member, AERC</b>	<b>Chairperson, AERC</b>

# 1 INTRODUCTION

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## 1.1 Constitution of the Commission

1.1.1 The Assam Electricity Regulatory Commission (hereinafter referred to as the AERC or the Commission) was established under the Electricity Regulatory Commissions Act, 1998 (14 of 1998) on February 28, 2001. The first provision of Section 82(1) of the Electricity Act, 2003 (hereinafter referred as the Act or the EA 2003) has ensured continuity of the Commission under the Electricity Act, 2003.

1.1.2 The Commission is mandated to exercise its powers and functions vested under Sections 61, 62, 86 and 181 of the EA 2003 and all other powers enabling it in this behalf, to determine the ARR and Charges of the State Load Despatch Centre (SLDC).

## 1.2 Tariff related Functions of the Commission

1.2.1 Under Section 86 of the Act, the Commission has the following tariff related functions:

- a) To determine the tariff for electricity, wholesale, bulk or retail, as the case may be;
- b) To regulate power purchase and procurement process of the distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
- c) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.2.2 Under Section 61 of the Act in the determination of tariffs, the Commission is to be guided by the following:

- a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
- b) The electricity generation, transmission, distribution and supply are conducted on commercial principles;
- c) Factors that would encourage efficiency, economical use of the resources, good performance, optimum investments, and other matters which the State Commission considers appropriate for the purpose of this Act;

- d) The interests of the consumers are safeguarded and at the same time, the consumers pay for the use of electricity in a reasonable manner based on the cost of supply;
- e) The tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency and also gradually reduces cross subsidies;
- f) The National Power Plans formulated by the Central Government including the National Electricity Policy and Tariff Policy.

### **1.3 Background**

**1.3.1** AEGCL is the successor corporate entity of erstwhile ASEB formed pursuant to the notification of the Government of Assam, notified under sub-sections (1), (2), (5), (6) and (7) of Section 131 and Section 133 of the EA 2003 (Central Act 36 of 2003), for the purpose of transfer and vesting of functions, properties, interests, rights, obligations and liabilities, along with the transfer of personnel of the Board to successor entities.

**1.3.2** AEGCL owns and operates the transmission system previously owned by Assam State Electricity Board (ASEB). AEGCL has started functioning as a separate entity from December 10, 2004.

**1.3.3** The State Load Despatch Centre (SLDC) is the apex body constituted vide Section 31 of the EA 2003 and complies with the directions stipulated in Section 33 to ensure integrated operation of the power system in the State of Assam. SLDC, Assam was established in the year 1983 and is located at Kahilipara, Guwahati. SLDC, Assam is presently being operated by AEGCL.

**1.3.4** The Commission vide Tariff Order dated 1<sup>st</sup> March 2019 had directed AEGCL to file separate Aggregate Revenue Requirement Petition for SLDC from FY 2019-20 onwards. Hence, in accordance with the aforesaid directive, a separate ARR Petition is being filed by SLDC from FY 2019-20 onwards.

### **1.4 Multi Year Tariff Regulations, 2021**

**1.4.1** The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021 (herein after referred as "MYT Regulations, 2021") on September 18, 2021. These Regulations are applicable for True-up, Annual Performance Review (APR) and Aggregate Revenue Requirement

(ARR) and determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of three financial years from April 1, 2022 onwards up to March 31, 2025. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

**1.4.2** Regulation 4.2 of the MYT Regulations, 2021, specifies the MYT framework, as reproduced below:

*“4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Companies, Transmission Licensee, SLDC, Distribution Wheeling Business and Retail Supply Business:*

...

*(vi) Annual Performance review vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors beyond the control of the applicant (uncontrollable items) shall be undertaken by the Commission;*

*(vii) True up of the past years based on audited annual accounts of the licensees and the Generation companies.*

*(viii) The mechanism for pass-through of approved gains or losses on account of uncontrollable items as specified by the Commission in these Regulations;*

*(ix) The mechanism for sharing of approved gains or losses arising out of controllable items as specified by the Commission in these Regulations;*

*(x) Tariff determination for Generating Companies, SLDC, Transmission Licensee and Distribution Wheeling Business and Retail Supply Business, for each financial year within the Control period based on the approved forecast. The tariff shall be reviewed at the time of the true-up and annual performance review.*

*(xi) There will be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. The variations in the controllable items, as defined in regulation 10, over and above the norms specified will be governed by incentive and penalty framework specified in these regulations.*

*(xii) The tariff determined by the Commission and the directions given in the MYT order shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the time period specified in the order, be subject to the compliance of the directions by the generating company and the licensees to the satisfaction of the Commission. Non-compliance of directions given in the tariff order may also lead to invocation of the provisions of section 142 of the Act.*

*(xiii) The tariff determined by the Commission shall continue to operate till it is modified or revised by the Commission.”*

## **1.5 Procedural History**

**1.5.1** In accordance with Regulation 18 of the MYT Regulations, 2021, AEGCL is required to file an application for true-up for previous year, i.e., FY 2022-23, APR of current year, i.e., 2023-24, and revised ARR and SLDC charges for ensuing year, i.e., FY 2024-25, by 30<sup>th</sup> November of each year of the Control Period. AEGCL filed the Petition for approval of Truing up for FY 2022-23, APR for FY 2023-24, revised ARR and SLDC Charges for FY 2024-25 as per MYT Regulations, 2021, on November 30, 2023. The same was registered as Petition No. 31/2023.

**1.5.2** The Commission observed that there were few inconsistencies in the Petition. The Commission raised queries in order to clarify the discrepancies, inconsistencies, and data gaps. The Commission sought additional data and clarifications on the Petition vide letter dated December 13, 2023.

**1.5.3** The Commission held an Admissibility Hearing on December 14, 2023 and admitted the Petition (Petition No 31/2023) vide Order dated December 14, 2023 with direction to furnish the additional data and clarifications, as sought vide letter dated December 13, 2023.

**1.5.4** On admission of the Petition (Petition No. 31/2023), in accordance with Section 64 of the Electricity Act 2003, the Commission directed SLDC to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.

**1.5.5** Further, SLDC was directed to publish advertisement in few other newspapers stating that the copy of the Petition is made available on their website. A copy of the Petition and other relevant documents were also directed to be made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL, offices of the Deputy General Manager of each circle of AEGCL and office of SLDC. A copy of the Petition was also made available on the websites of the

Commission and SLDC.

- 1.5.6** Accordingly, Public Notice was issued by SLDC inviting objections/suggestions from respondents to be submitted on or before January 12, 2024. The abridged form of the Petition and short notice for SLDC was published in seven (7) leading newspapers of the State, as shown in the Table below:

Sl. No.	Name of Newspaper	Date
1	The Assam Tribune	18.12.2023
2	Dainik Janambhumi	18.12.2023
3	Dainik Purvoday	18.12.2023
4	Dainik Jugasankha	18.12.2023
5	Echo of India	18.12.2023
6	Bodosa	19.12.2023
7	Arleng Daily	19.12.2023

- 1.5.7** In response to the Commission's letter dated December 13, 2023, AEGCL submitted their replies to data gaps on December 26, 2023.
- 1.5.8** Additional data and clarifications were sought on January 09, 2024 and subsequently on January 25, 2024. AEGCL submitted their replies on January 12, 2024 and January 30, 2024 respectively.
- 1.5.9** The Commission received suggestions/objections from one (1) stakeholder on the Petition filed by AEGCL for SLDC. The Petitioner was asked to submit its responses to the submissions of the stakeholder. The stakeholder was notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A Newspaper notice was also published inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 29, 2024 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petition.
- 1.5.10** All the written representations submitted to the Commission and oral submissions made before the Commission in the Hearing and the responses of SLDC have been carefully considered while issuing this Tariff Order. The major issues raised by the stakeholder/s along with the response of SLDC, and views of the Commission are elaborated in **Chapter 3** of this Order.



## **1.6 State Advisory Committee Meeting**

- 1.6.1** A meeting of the State Advisory Committee (SAC) was convened on January 10, 2024 at Bidyut Niyamak Bhawan, Six Mile, Guwahati, and Members were briefed on the Petition of SLDC. The Minutes of the 33<sup>rd</sup> SAC Meeting are appended to this Order as **Annexure 1**.

## 2 Summary of SLDC's Petition

### 2.1 Background

2.1.1 SLDC submitted the Petition on November 30, 2023 seeking approval for Truing up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24, and revised ARR and SLDC Charges for FY 2024-25 for SLDC. The SLDC Charges are to be recovered from the Assam Power Distribution Company Limited (APDCL), IPPs and other generators, traders and others who utilise the transmission system.

### 2.2 True-up for FY 2022-23

2.2.1 SLDC submitted the True-up for FY 2022-23 based on the audited accounts. The summary of ARR and Revenue Gap/(Surplus) claimed by SLDC for FY 2022-23 is shown in the following Table:

**Table 1: True-up for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	SLDC Submission
1	O&M Expenses	6.18	7.18
A	<i>Employee Cost</i>	5.29	6.30
B	<i>R&amp;M Expenses</i>	0.54	0.52
C	<i>A&amp;G Expenses</i>	0.35	0.36
2	Depreciation	0.09	0.33
3	Interest & Finance Charges	0.08	0.08
4	Interest on Working Capital	0.26	0.32
5	Return on Equity	0.00	0.09
6	Less: Non-Tariff Income/ Other Income	0.12	0.16
7	Aggregate Revenue Requirement	6.50	7.85
8	Add: Sharing of (Gains)/Loss	-	(0.01)
9	<b>Aggregate Revenue Requirement after sharing of (Gains)/Loss</b>	<b>6.50</b>	<b>7.84</b>
10	Revenue with Approved Tariff for FY 2022-23	6.50	6.50
11	<b>Revenue Gap /(Surplus) for FY 2022-23</b>	<b>-</b>	<b>1.34</b>

## 2.3 Annual Performance Review for FY 2023-24

2.3.1 SLDC submitted the APR for FY 2023-24 based on actual expenses incurred in the first half of FY 2023-24 and estimated expenses for second half of FY 2023-24 as shown in the Table below:

**Table 2: Annual Performance Review for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order dt. 29.03.2023	SLDC Estimation
1	O&M Expenses	9.58	9.52
a	Employee Cost	7.70	7.71
b	R&M Expenses	1.20	1.12
c	A&G Expenses	0.68	0.69
2	Depreciation	0.13	0.35
3	Interest & Finance Charges	0.16	0.11
4	Interest on Working Capital	0.41	0.46
5	Return on Equity	0.00	0.09
6	Less: Non-Tariff Income/ Other Income	0.18	0.14
7	<b>Aggregate Revenue Requirement</b>	<b>10.10</b>	<b>10.39</b>
8	Revenue with Approved Tariff for FY 2023-24	10.10	10.10
9	<b>Revenue Gap /(Surplus) for FY 2023-24</b>	-	<b>0.29</b>

## 2.4 ARR for FY 2024-25

2.4.1 SLDC has projected the ARR of Rs.15.25 Crore for FY 2024-25 as detailed in the Table below:

**Table 3: ARR for FY 2024-25 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 21.03.2022	SLDC Submission
1	O&M Expenses	7.04	14.17
a	Employee Cost	6.01	9.21

SI. No.	Particulars	Approved in MYT Order dt. 21.03.2022	SLDC Submission
<i>b</i>	<i>R&amp;M Expenses</i>	0.65	3.92
<i>c</i>	<i>A&amp;G Expenses</i>	0.38	1.04
2	Depreciation	0.06	0.26
3	Interest & Finance Charges	0.07	0.19
4	Interest on Working Capital	0.30	0.67
5	Return on Equity	0.00	0.09
6	Less: Non-Tariff Income/ Other Income	0.12	0.14
7	<b>Aggregate Revenue Requirement</b>	<b>7.35</b>	<b>15.25</b>
8	Revenue from Approved Tariff	7.35	7.35
9	<b>Revenue Gap/(Surplus)</b>	-	<b>7.90</b>
10	<b>Back Up SLDC Building</b>	-	<b>3.00</b>

## 2.5 SLDC Charges for FY 2024-25

2.5.1 SLDC has proposed the SLDC Charges of Rs. 174.27/MW/Day for FY 2024-25, by considering Peak demand of 2654.60 MW, as detailed in the Table below:

**Table 4: SLDC Charges for FY 2024-25 (Rs. Crore)**

SI. No.	Particulars	SLDC Submission
1	Provisional Revenue Gap for FY 2022-23	1.34
2	Carrying Cost on Revenue Gap for FY 2022-23	0.30
3	Total Gap	1.64
4	Standalone Aggregate Revenue Requirement	15.25
5	Previous Revenue Gap with Carrying Cost	1.64
6	<b>Net Aggregate Revenue Requirement</b>	<b>16.89</b>
7	Peak Demand (MW)	2,654.60
8	<b>SLDC Charges (Rs/MW/Day)</b>	<b>174.27</b>

## **2.6 Prayers of SLDC**

**2.6.1** SLDC, in its Petition, has prayed as under:

- *“Accept the Annual Revenue Requirements and Tariff proposal for SLDC Business respectively in accordance with:*
- *The guidelines outlined in previous AERC Orders passed in various matters relating to SLDC; and*
- *To admit the Tariff Petition as per the provisions of the AERC (MYT) Regulations 2021 for True up for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25;*
- *To consider present Petition for further proceedings before Hon’ble Commission;*
- *To approve the total recovery of ARR and revenue gap along with other claims as proposed by SLDC;*
- *To allow the ARR based on assumptions wherever considered, till the segregation of accounts of SLDC is carried out...”*

### **3 Brief Summary of Stakeholders’ Comments, Response of the SLDC and Commission’s View**

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**3.1.1** The Commission received objections/suggestions from the following one (1) stakeholder on the Petition filed by SLDC.

<b>Sl. No.</b>	<b>Name of Respondent</b>
1.	Federation of Industries and Commerce of North Eastern Region (FINER)

**3.1.2** SLDC submitted its responses to the objections/suggestions received from the above stakeholder.

**3.1.3** The Commission considered the objections/suggestions received and notified the Respondent to take part in the Hearing process by presenting their views in person before the Commission, if they so desired.

**3.1.4** The Commission held Public Hearing at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 29, 2024.

**3.1.5** The Respondent attended the Hearing and submitted their views/suggestions. All the written representations submitted to the Commission and the oral submission made before the Commission in the Hearing and the responses of SLDC have been carefully considered while issuing this Tariff Order.

**3.1.6** The objections/ suggestions made by the stakeholder and responses of the Petitioner are briefly dealt with in this Chapter. The major issues raised by the respondent are discussed below along with the response of the Petitioner (SLDC) and views of the Commission.

**3.1.7** The figures quoted in the submissions by the respondents/Petitioner are mentioned by them in their respective submissions. While all the objections/suggestions have been given due consideration by the Commission, only major responses/objections received on the Petition and also those raised during the course of Hearing have been grouped and addressed issue-wise, in order to avoid repetition.

## **Issue 1: Employee Expenses**

### **Stakeholders' Comments**

FINER submitted that in its Petition, SLDC has considered additional expenses against increase in number of employees to the tune of Rs. 1 Crore.

However, the Petitioner has not provided any breakup of additional expenditure in terms of increase in number of employees. FINER requested the Commission that the claimed additional expenditure to the tune of Rs. 1 Crore may only be allowed subject to the prudence check by the Commission.

### **Response of SLDC**

SLDC submitted that the actual Employee Costs for FY 2022-23 is higher than normative employee expenses and the actual Employee Costs for H1 and estimation for H2 for FY 2023-24 is also higher than normative employee expenses. Further, SLDC submitted that the break-up of Employee expenses is already provided in the Petition.

SLDC also submitted that the actual Employee Costs for previous FYs were always higher than normative employee expenses. Hence, projection has been made based on the actual expenses incurred during the previous FYs.

Therefore, SLDC requested the Commission to approve the employee cost as submitted in the Petition.

### **Commission's View**

The Employee Expenses approved by the Commission along with the philosophy adopted is detailed in the relevant Chapters.

## **Issue 2: Repair & Maintenance (R&M) Expenses**

### **Stakeholders' Comments**

FINER submitted that the Petitioner in True-up Petition for FY 2022-23 has considered the actual AMC cost of SCADA/EMS under SLDC Repair and Maintenance (R&M) to the tune of Rs. 0.46 crore over and above normative R&M Expenses. The Petitioner in the APR Petition for FY 2023-24 has along with the normative expenses also claimed expenses towards "AMC cost of SCADA/EMS", "Additional amount for enhancing Cyber Security" and "Firewall AMC, Website Maintenance, Laptop/Desktop AMC,

maintenance of Access Control System for Server room” totaling to Rs. 1.06 crore. The Petitioner in the ARR Petition for FY 2024-25 has along with the normative expenses also claimed expenses towards “AMC cost of SCADA/EMS”, “Additional amount for enhancing Cyber Security”, “SAMAST AMC - Meter & AMR”, “SAMAST AMC – IT Solutions”, and “Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room” totaling to Rs. 3.85 crore.

However, the Petitioner has not provided any documentary evidences of such AMC expenses towards SCADA/ EMS and Firewall AMC, enhancing Cyber Security and Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room, SAMAST AMC - Meter & AMR, and SAMAST AMC – IT Solutions. FINER requested that the claimed additional expenses may be allowed to the Petitioner only after prudence check.

#### **Response from SLDC**

SLDC submitted that the actual AMC cost of SCADA/EMS amounting to Rs. 0.41 Crore and Rs. 0.05 crore against firewall AMC and other IT equipment maintenance has been considered under SLDC R&M as per the Audited Accounts for FY 2022-23.

SLDC further submitted that the estimated AMC cost based on 6 months actual and 6 months projection has been considered as Rs. 0.42 Crore and firewall AMC, Website Maintenance, etc., has been considered as Rs. 0.08 Crore under R&M Expenses.

SLDC submitted that the Commission has approved Rs. 0.56 Crore vide Tariff Order dated 29.03.2023 as Provision for Cyber Security, which has been initiated by SLDC for completion during FY 2023-24.

SLDC requested the Commission to approve the normative R&M expenses amounting to Rs. 1.12 Crore including AMC Cost of SCADA/EMS, Firewall AMC and Additional amount for enhancing Cyber Security.

SLDC submitted that based on the transfer of AMC cost of SCADA / EMS from AEGCL Accounts to SLDC from FY 2019-20 onwards, the projected AMC cost amounting to Rs. 0.45 Crore for FY 2024-25 and Firewall AMC, Website Maintenance, Laptop/ Desktop AMC, maintenance of Access Control System for Server room amounting to Rs. 0.10 Crore has been considered for FY 2024-25.

Further, SLDC requested the Commission to approve the amount of Rs. 0.30 Crore towards Cyber Security as requested over and above the R&M expenses for FY 2024-25.



In view of the above, SLDC requested the Commission to approve the R&M expenses as submitted in the Petition.

#### **Commission's View**

The R&M Expenses approved by the Commission is detailed in the relevant Chapters.

### **Issue 3: A&G Expenses**

#### **Stakeholders' Comments**

FINER submitted that the Petitioner in the APR Petition and ARR Petition for FY 2023-24 and FY 2024-25, respectively, has along with the normative expenses also claimed expenses towards "Provision for additional expenses" to the tune of Rs. 0.30 crore.

However, the Petitioner has not provided any documentary evidences of such additional expenses. FINER requested the Commission that the claimed expenses over and above the normative expenses may be allowed to the Petitioner only after due prudence check by the Commission.

#### **Response of SLDC**

SLDC requested the Commission for creation of provision for additional expenses, as the normative A&G expenses are not sufficient to meet the basic requirements and daily operations of the SLDC offices, as the electricity expenses amounting to Rs. 0.30 Crore per year for the SLDC offices and the vehicle expenses for senior officials of SLDC also need to be managed from the above expenses.

In view of the above, SLDC requested the Commission to approve the proposed A&G expenses for FY 2023-24 and FY 2024-25.

#### **Commission's View**

The A&G Expenses approved by the Commission is detailed in the relevant Chapters.

### **Issue 4: Depreciation**

#### **Stakeholders' Comments**

FINER submitted that the Petitioner claimed depreciation amounting to Rs. 0.33 Crore for FY 2022-23 and Rs. 0.35 Crore for FY 2023-24. FINER submitted that the Depreciation must be allowed on asset additions (excluding grants) in addition to the

depreciation approved by the Commission for FY 2021-22. Accordingly, the allowable depreciation is Rs. 0.09 Crore for FY 2022-23 and Rs. 0.14 Crore for FY 2023-24.

### **Response of SLDC**

SLDC submitted that AEGCL has converted Government Loan of Rs. 638.41 Crore and Government Grant of Rs. 1955.05 Crore as on 31.03.2021 into Equity in FY 2022-23, as approved by the GoA, notified vide letter No. PEL.58/2021/pt./105 dated 03.02.2022.

As the Government Grant of Rs. 3.91 Crore, which has been converted to equity is separately considered for SLDC, the depreciation for FY 2022-23 amounts to Rs. 0.33 Crore for FY 2022-23 and Rs. 0.35 Crore for FY 2023-24.

### **Commission's View**

The Depreciation has been approved as per MYT Regulations and is detailed in the relevant Chapters.

## **Issue 5: Return on Equity**

### **Stakeholders' Comments**

FINER submitted that the Petitioner has proposed Equity addition of Rs. 1.17 Crore towards conversion of loan/grant to equity.

FINER stated that the Petitioner has not substantiated as to which scheme warrants the conversion of loan/ grants to equity and whether or not it has been approved by the Commission. Secondly, FINER pointed out that in absence of prior approval for the said conversion, the claim of impact due to conversion is inappropriate. While the Petitioner has sought approval of asset development through Capex/ Business Plans, the same were accorded approval based on the Cost Benefit analysis submitted therein. Post asset development, if the Petitioner seeks conversion of grants to equity, it is unfair to the consumers of the State as the dynamics of Cost Benefit analysis changes. As the grant to equity conversion is not in line with the pre-approved Capex Plan, the claim of the Petitioner does not merit consideration.

Furthermore, by way of State Cabinet meeting dated 24.12.2021, Govt. of Assam in addition to sanctioning of conversion of Government grants and loans into equity, also waived off the interest accrued on loan from GoA. FINER stated that the Petitioner has not submitted as to how much Interest waiver would be accrued to the Utility in the

event of Loan/grants to equity conversion during FY 2022-23. This approach of the petitioner to only showcase the expense, which are in the interest of the Company is appalling. FINER requested the Commission to also factor in the receipts based on the outcome of State Cabinet's approval in addition to the Loan/ Grant conversion.

FINER also mentioned that this approach of the Petitioner hurts the interests of the consumers of the State. Such proposals are against the principles of the Tariff Policy 2016, MYT Regulations, 2021, and Electricity Act, 2003.

In view thereof, FINER requested the Commission to disallow the claims of the Petitioner with respect to equity addition for FY 2022-23 and consider the allowable Return on Equity (RoE) for FY 2022-23 as NIL against the claim of Rs. 9.09 Crore.

### **Response of SLDC**

SLDC submitted that it has never claimed RoE of Rs. 9.09 Crore as mentioned by the stakeholder. Also, as stated in reply to the comment on Depreciation, AEGCL has converted Rs. 2593.46 Crore to equity (i.e., Grant Rs. 1955.05 Crore and Loans of Rs. 638.41 Crore) as on 31.03.2021, out of which Rs. 3.91 Crore has been considered as Equity of SLDC.

Further, SLDC submitted that as per Regulation 32 of the MYT Regulations, 2021, addition of equity during the year is considered at 30% of Rs. 3.91 Crore which works out to Rs. 1.17 Crore.

In accordance with Regulation 34.2.(III) of the MYT Regulations, 2021, RoE is calculated at 15.50% on average balance of equity.

SLDC requested the Commission to approve the RoE amounting to Rs. 0.09 Crore for FY 2022-23.

### **Commission's View**

The RoE has been approved as per the MYT Regulations, 2021 and is detailed in the relevant Chapters.

## **Issue 6: Interest on Working Capital**

### **Stakeholders' Comments**

FINER submitted that the Petitioner has claimed Interest on Working Capital (IoWC) of Rs. 0.32 Crore, Rs. 0.46 Crore and Rs. 0.67 Crore for FY 2022-23, FY 2023-24 and

FY 2024-25, respectively. FINER pleaded that in line with the other submissions, the allowable IoWC is Rs. 0.25 Crore, Rs. 0.29 Crore, and Rs. 0.31 Crore for FY 2022-23, FY 2023-24, and FY 2024-25, respectively.

#### **Response of SLDC**

SLDC submitted that detailed computation of IoWC is shown in SLDC's Petition. SLDC has computed the IoWC as per MYT Regulations, 2021. SLDC requested the Commission to approve the same.

#### **Commission's View**

The Commission has approved IoWC in accordance with the MYT Regulations, 2021, as detailed in the relevant Chapters.

### **Issue 7: Non-Tariff Income**

#### **Stakeholders' Comments**

FINER submitted that the Petitioner has claimed Non-Tariff Income (NTI) amounting to Rs. 0.14 Crore for FY 2023-24 and Rs. 0.14 Crore for FY 2024-25. FINER submitted that the Petitioner's claim is not in accordance with the allowable NTI for FY 2022-23 as per Regulation 68 of the MYT Regulations, 2021. Therefore, FINER requested the Commission to allow NTI to the tune of Rs. 0.16 Crore, same as claimed by the Petitioner during the True up of FY 2022-23.

#### **Response of SLDC**

SLDC submitted that the estimated amount of NTI for FY 2023-24 and FY 2024-25 comprises mostly the income from SLDC charges paid by IEX. Therefore, SLDC requested the Commission to approve the NTI as submitted in the Petition.

#### **Commission's View**

The Commission has approved NTI in accordance with the provisions of the MYT Regulations, 2021, as detailed in the relevant Chapters.

## **Issue 8: Need for Strengthening of SLDC – Critical necessity**

### **Stakeholders' Comments**

During the public hearing, FINER submitted that for smoother and faster working of SLDC, it is suggested that, prior permission from the Commission is required in the case of transfer and posting of employee out of SLDC. FINER cited the UPERC Order dated 30.06.2023 in this context.

### **Commission's View**

The Commission is of the view that requiring SLDC to take the Commission's prior permission in case of transfer and posting of employee out of SLDC would not be appropriate. At the same time, it is necessary to ensure that the employees posted at SLDC continue to work in SLDC for a reasonable period of time, so that the capacity building efforts bear fruit. The Commission has given a fresh directive to SLDC in this regard.

## 4 Truing up for FY 2022-23

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### 4.1 Methodology for Truing Up

- 4.1.1** The Commission had approved the ARR and Tariff for SLDC for FY 2022-23 in the Tariff Order dated March 21, 2022.
- 4.1.2** SLDC submitted the Truing-up Petition for FY 2022-23 based on audited Annual Accounts, allocation of expenses and revenue between AEGCL and SLDC, and provisions of the MYT Regulations, 2021. SLDC has sought true-up for FY 2022-23 with the Revenue Gap/(Surplus) to be recovered/(adjusted) during FY 2024-25.
- 4.1.3** The Commission approves the relevant cost parameters through approval of the ARR at the beginning of the year, keeping in view the data available at that point of time. The cost approvals for each of the items are based on projection of expenses and revenue before beginning of the year and the provisions of MYT Regulations, 2021. The projections might vary over the course of the year.
- 4.1.4** The actual cost/values for certain elements/parameters may vary as against the approved cost during the year due to various controllable and uncontrollable factors. The Licensee may end up with higher or lower expenditure, as the case may be, at the end of the year as against the approved cost.
- 4.1.5** The Commission analyses the actual expenditure for the previous year based on the audited Annual Accounts of the Utility and allows/disallows the recovery of the actual expenditure through the ensuing year's tariff, subject to prudence check.
- 4.1.6** In the present Chapter, the Commission has carried out the Truing up of SLDC for FY 2022-23 based on the submissions of SLDC, audited annual accounts for FY 2022-23, allocation of expenses and revenue between Transmission and SLDC, and provisions of MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between SLDC and its beneficiaries, in accordance with Regulation 12 of the MYT Regulations, 2021.

### 4.2 O&M Expenses

- 4.2.1** SLDC submitted the O&M expenses of SLDC for FY 2022-23 comprising following heads:

- a) Employee expenses
- b) R&M expenses
- c) A&G expenses

The claim of SLDC under various heads of O&M expenses is discussed below:

#### 4.2.2 Employee Expenses

SLDC submitted that Employee Expenses comprise salaries, dearness allowance, terminal benefits in the form of pension and gratuity funding. SLDC has claimed normative employee expenses of Rs. 6.30 Crore for FY 2022-23, as against employee expenses of Rs. 5.29 Crore approved in the Tariff Order dated March 21, 2022. The actual employee expenses were Rs. 6.09 Crore in FY 2022-23.

#### 4.2.3 Repairs and Maintenance (R&M) expenses

SLDC submitted that it has been carrying out R&M activities to maintain the assets in a more efficient way. SLDC has claimed normative R&M expenses of Rs. 0.52 Crore for FY 2022-23, as against R&M expenses of Rs. 0.54 Crore approved in the Tariff Order dated March 21, 2022. The actual R&M expenses were Rs. 0.55 Crore in FY 2022-23.

#### 4.2.4 Administrative and General (A&G) expenses

SLDC submitted that A&G expenses comprise rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, training and other charges. SLDC has claimed normative A&G expenses of Rs. 0.36 Crore for FY 2022-23, as against A&G expenses of Rs.0.35 Crore approved in the Tariff Order dated March 21, 2022. The actual A&G expenses were Rs. 0.52 Crore in FY 2022-23.

4.2.5 The normative O&M Expenses claimed by SLDC for FY 2022-23 are shown in the Table below:

**Table 5: Normative O&M Expenses for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt.21.03.2022	SLDC Submission
	<b>O&amp;M Expenses</b>	<b>6.18</b>	<b>7.18</b>
a	Employee Cost	5.29	6.30
b	R&M Expenses	0.54	0.52
c	A&G Expenses	0.35	0.36

## Commission's Analysis

**4.2.6** For the purpose of trueing up for FY 2022-23, the Commission has computed the normative O&M Expenses as per Regulation 102 of the MYT Regulations, 2021. The variation between normative O&M expenses and actual O&M Expenses has been considered under sharing of gains and loss on account of controllable items as per Regulation 12 of the MYT Regulations, 2021.

## Employee Expenses

**4.2.7** For computation of normative employee expenses for FY 2022-23, the Commission has adopted the following approach:

- a) The normative employee expenses approved for SLDC after true up for FY 2021-22 in the Tariff Order dated March 29, 2023 have been considered as base expenses for FY 2022-23;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2019-20 to FY 2021-22, which works out to 5.89%;
- c) The growth factor of 1.00% has been disallowed as there has been no recruitment during the year, and one employee has retired during the year.
- d) As regards the Additional Expense of Rs. 1 Crore sought by SLDC in the true-up for FY 2022-23, the Commission had allowed the same in the APR of FY 2022-23 undertaken in the Tariff Order for FY 2023-24. The Commission has hence, allowed the Additional Expense of Rs. 1 Crore sought by SLDC in the true-up for FY 2022-23, thereby ensuring that SLDC is able to meet its actual employee expenses.

**4.2.8** The normative employee expenses approved in the true-up for FY 2022-23 are shown in the following Table:

**Table 6: Approved Employee Expenses for FY 2022-23 (Rs. Crore)**

Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after true-up
Base Employee Cost (n-1)	4.96	4.96	4.96
CPI Escalation	5.53%	5.89%	5.89%
Growth Factor	1.00%	1.00%	-
<b>Normative Employee Cost for FY 2022-23</b>	<b>5.29</b>	<b>5.30</b>	<b>5.25</b>
Additional Expense	-	1.00	1.00



Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after true-up
<b>Normative Employee Expenses</b>	<b>5.29</b>	<b>6.30</b>	<b>6.25</b>

## R&M Expenses

**4.2.9** For computation of R&M Expenses for FY 2022-23, the Commission has considered the following approach:

- WPI inflation has been computed as average increase of WPI index for the period from FY 2019-20 to FY 2021-22, which works out to 5.32%;
- The K-factor has been approved as 1% for SLDC for FY 2022-23 in the MYT Order dated 21 March, 2022, and the same K-factor has been considered for computation of normative R&M Expenses for FY 2022-23;
- AMC Cost of SCADA/EMS, Firewall AMC, Website Maintenance, etc., have been approved separately, following the same approach as adopted in the MYT Order.

**4.2.10** The normative R&M expenses approved in the true-up for FY 2022-23 is shown in the following Table:

**Table 7: Approved R&M Expenses for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after true-up
1	Opening GFA for previous year	5.28	5.15	5.28
2	Closing GFA for previous year	5.53	5.48	5.61
3	Average GFA for previous year	5.41	5.31	5.45
4	K Factor	1.00%	1.00%	1.00%
5	WPI Inflation	4.13%	5.32%	5.32%
<b>6</b>	<b>Normative R&amp;M Expenses</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>
7	AMC Cost of SCADA/EMS	0.38	0.41	0.41
<b>8</b>	Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room	0.10	0.05	0.05

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after true-up
9	Normative R&M Expenses	0.54	0.52	0.52

## A&G Expenses

4.2.11 For computation of A&G expenses for FY 2022-23, the Commission has adopted the following approach:

- The normative A&G expenses approved after True-up for FY 2021-22 have been considered as base expenses for computation of normative A&G expenses for FY 2022-23;
- WPI inflation has been computed as average increase of WPI for the period from FY 2019-20 to FY 2021-22, which works out to 5.32%.

4.2.12 The normative A&G expenses approved in the true-up for FY 2022-23 is shown in the following Table:

**Table 8: Approved A&G Expenses for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after true-up
1	A&G Expenses for Previous year	0.34	0.34	0.34
2	WPI Inflation	4.13%	5.32%	5.32%
3	<b>Normative A&amp;G Expenses for the year</b>	<b>0.35</b>	<b>0.36</b>	<b>0.36</b>

4.2.13 The normative O&M expenses approved by the Commission for FY 2022-23 are shown in the following Table:

**Table 9: Normative O&M Expenses approved by Commission for SLDC for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	SLDC Submission	Approved after True up
1	Employee Expenses	5.29	6.30	6.25
2	R&M Expenses	0.54	0.52	0.52
3	A&G Expenses	0.35	0.36	0.36
<b>Total</b>		<b>6.18</b>	<b>7.18</b>	<b>7.13</b>

**4.2.14** Further, Regulation 10.2 of the MYT Regulations, 2021 specifies O&M Expenses (excluding terminal liabilities with regard to employees on account of changes in pay scales or dearness allowance due to inflation) as a controllable factor. Hence, for undertaking sharing of gains or losses, the Commission has excluded the terminal liabilities from normative as well as actual Employee Expenses. Accordingly, terminal liabilities are allowed on actual basis.

**4.2.15** The sharing of gains/(losses) on account of O&M Expenses is shown in the following Table:

**Table 10: Sharing of gains/(losses) for O&M Expenses for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Actual	Normative	Gains/ (Losses)	Gains/(Losses) to be shared with APDCL
		A	B	c=b-a	d=c x 1/3
1	Employee Cost	6.09	6.25	-	-
2	Less: Terminal Liabilities	0.78	0.78	-	-
3	Employee Cost excluding Terminal Liabilities	5.31	5.47	0.16	0.05
4	R&M Expenses	0.55	0.52	(0.03)	(0.01)
5	A&G Expenses	0.52	0.36	(0.16)	(0.05)
	<b>Total</b>	<b>6.38</b>	<b>6.35</b>	<b>(0.03)</b>	<b>(0.01)</b>

**Note:** No sharing of gains or losses has been considered for Terminal liabilities.

**4.2.16** Normative O&M expenses are lower than actual expenses; the loss of Rs. 0.01 Crore has been shared and passed on through the ARR.

### 4.3 Capitalisation

**4.3.1** SLDC submitted the actual Capitalisation for FY 2022-23 as shown in the following Table:

**Table 11: Actual Capitalisation (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	Actual
1.	Capitalisation	10.30	0.17

**4.3.2** SLDC submitted that all new addition of assets is created by funding from loan. The funding of capitalisation is shown in the following Table:

**Table 12: Funding of Capitalisation for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in order dt. 21.03.2022	SLDC Submission
1	Grant	10.25	0.00
2	Equity	-	-
3	Debt	0.05	0.17
4	<b>Total Capitalisation</b>	<b>10.30</b>	<b>0.17</b>

### Commission's Analysis

**4.3.3** The scheme-wise capital expenditure was approved by the Commission in the Tariff Order dated March 21, 2022. In the Order, the Commission had approved capital expenditure and capitalisation based on information regarding latest status of works of SLDC.

**4.3.4** The Commission in the Tariff Order dated March 21, 2022 had approved capitalisation of Rs. 10.30 Crore for FY 2022-23, against which SLDC has submitted capitalisation of Rs. 0.17 Crore. For the purpose of truing up, the Commission has considered the actual capitalisation for FY 2022-23 based on the audited accounts. As regards the funding of capitalisation, the Commission has considered the actual funding as

submitted by SLDC.

**4.3.5** In view of the above, the Capitalisation and it's funding as approved by the Commission in the true-up for FY 2022-23 is shown in the following Table:

**Table 13: Capital Expenditure and Capitalisation for FY 2022-23 approved by Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in order dt. 21.03.2022	SLDC Submission	Approved after true-up
1	Capitalisation	10.30	0.17	0.17
	<b>Funding of Capitalisation</b>			
2	Grant	10.25	-	-
3	Equity	-	-	-
4	Debt	0.05	0.17	0.17
<b>5</b>	<b>Total</b>	<b>10.30</b>	<b>0.17</b>	<b>0.17</b>

#### **4.4 Depreciation**

**4.4.1** The Commission had approved the Depreciation of Rs. 0.09 Crore for FY 2022-23 in the Order dated March 21, 2022. As against this, SLDC has claimed depreciation of Rs. 0.33 Crore in the True-up for FY 2022-23.

**4.4.2** SLDC submitted that it has considered the impact of conversion of Grant of Rs. 3.91 Crore into equity for SLDC, while computing the depreciation.

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

**4.4.3** The Commission has considered the opening GFA for FY 2022-23 as per the closing GFA value approved for FY 2021-22 vide the Tariff Order dated March 29, 2023. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

**4.4.4** As per Regulation 33 of the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of the asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation in excess of 90% of the original cost of asset under different asset heads.

**4.4.5** In line with the approach adopted in the previous Orders and as specified in Regulation

33 of the MYT Regulations, 2021, the Commission has not considered the depreciation on assets funded through grants or capital subsidy, for FY 2022-23. The details of allowable conversion of Grants to equity has been elaborated in the Section on Return on Equity. The depreciation approved in the truing up for FY 2022-23 is given in the Table below:

**Table 14: Depreciation approved for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned under full ownership	-	-	-	-
	Land under lease	-	-	3.34%	-
2	Building	0.35	-	3.34%	0.00
3	Hydraulic	-	-	5.28%	-
4	Other Civil Works	0.04	-	3.34%	
5	Plant & Machinery	4.82	0.01	5.28%	0.25
6	Lines & Cable Net work	0.07	-	5.28%	0.00
7	Vehicles	-	-	9.50%	-
8	Furniture & Fixtures	0.16	0.01	6.33%	0.01
9	Office Equipment	0.19	0.15	6.33%	0.01
10	Computer & Accessories			15%	0.00
11	<b>Grand Total</b>	<b>5.61</b>	<b>0.17</b>		<b>0.28</b>
12	Less: Depreciation for Grants/ Consumer Contribution				0.15
13	<b>Net Total</b>				<b>0.13</b>

The Commission accordingly approves Depreciation of Rs. 0.13 Crore for FY 2022-23 after truing up.

#### 4.5 Interest and Finance Charges

4.5.1 The Commission had approved Interest and Finance Charges of Rs. 0.08 Crore for FY 2022-23 in the Order dated March 21, 2022. As against this, SLDC has claimed

Interest and finance charges of Rs. 0.08 Crore for FY 2022-23.

**4.5.2** SLDC submitted that the interest on the loans has been computed @10.08% as approved by the Commission vide Tariff Order dated March 21, 2022.

**Commission’s Analysis**

**4.5.3** The Commission has approved Interest on loan capital for FY 2022-23 on normative basis in accordance with Regulation 35 of the MYT Regulations, 2021.

**4.5.4** Accordingly, the Commission has considered the opening net normative loan as on April 1, 2022 as Rs. 0.86 Crore, based on the closing normative loan balance approved in the true-up for FY 2021-22, against SLDC’s submission as Rs. 0.86 Crore. The addition of loan has been considered equal to debt portion of capitalised works as approved in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order.

**4.5.5** As per MYT Regulations, 2021, weighted average rate of interest shall be computed based on outstanding loan as on April 1, 2022. The average interest rate has been taken same as that applicable for AEGCL, i.e., 0.58%, for computation of interest on loan capital, as SLDC does not have separate loans.

**4.5.6** The Interest on loan capital approved by the Commission after truing up for FY 2022-23 is shown in the following Table:

**Table 15: Approved Interest on loan Capital for FY 2022- 23 (Rs. Crore)**

Particulars	Approved in order dt. 21.03.2022	SLDC Submission	Approved after true-up
Net Normative Opening Loan	0.79	0.86	0.86
Addition of normative loan during the year	0.05	0.17	0.17
Normative Repayment during the year	0.09	0.33	0.13
Net Normative Closing Loan	0.75	0.70	0.90
Interest Rate	10.08%	10.08%	0.58%
<b>Interest and Finance Charges</b>	<b>0.08</b>	<b>0.08</b>	<b>0.01</b>

**The Commission approves Interest on loan as Rs 0.01 Crore in the truing up for FY 2022-23.**

## 4.6 Return on Equity

4.6.1 The Commission had approved Return on Equity as 'Nil' for FY 2022-23 in the Order dated March 21, 2022. As against this, SLDC has claimed Return on Equity of Rs. 0.09 Crore for FY 2022-23.

### Commission's Analysis

4.6.2 The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2021.

4.6.3 The addition to equity on account of conversion of grant to equity is limited to 30% of GFA. The conversion of Grant to equity allowed by the Commission for FY 2022-23 is shown in the Table below:

**Table 16: Conversion of Grant to Equity approved by the Commission for FY 2022-23 (Rs. Crore)**

Particulars	Amount
Opening GFA	5.61
Average Grant towards GFA	3.91
If conversion of Rs. 3.91 Crore of grant considered	3.91
Net Grant towards GFA	0.00
Net assets to be funded	5.61
Maximum Equity that can be considered	1.68
Equity already considered	0.00
Equity that can be additionally allowed	1.68

4.6.4 Thus, the Commission has considered additional equity of Rs. 1.68 Crore due to conversion of Grant to equity in FY 2022-23.

4.6.5 There is no equity addition against capitalised works. Therefore, the approved Return on Equity at 15.50% is shown in the Table below:



**Table 17: Return on Equity approved by the Commission for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in order dtd. 21.03.2022	SLDC Submission	Approved after true-up
1	Equity (Opening Balance)	-	0.00	0.00
2	Net additions during the year	-	1.17	1.68
3	Less: Reduction during the year	-	-	-
<b>4</b>	<b>Equity (Closing Balance)</b>	-	1.17	1.68
<b>5</b>	<b>Average Equity</b>	-	<b>0.59</b>	<b>0.84</b>
6	Rate of Return on Equity	-	<b>15.50%</b>	<b>15.50%</b>
<b>7</b>	<b>Return on Equity</b>	-	0.09	0.13

The Commission approves the Return on Equity of Rs. 0.13 Crore after Truing up for FY 2022-23.

#### 4.7 Interest on Working Capital (IoWC)

4.7.1 The Commission had approved normative IoWC of Rs. 0.26 crore for FY 2022-23 in the Tariff Order dated March 21, 2022. SLDC submitted that IoWC has been calculated on normative basis as per the provisions of MYT Regulations, 2021. The rate of interest is the average SBI 1-year MCLR rate prevalent during FY 2022-23 plus 300 basis points. SLDC has claimed IoWC of Rs. 0.32 Crore in the Truing up for FY 2022-23, as shown in the following Table:

**Table 18: Interest on Working Capital for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in order dt. 21.03.2022	SLDC Submission
1	O&M expenses for 1 month	0.52	0.60
2	Maintenance spares @ 15% of O&M expenses	0.93	1.08
3	Receivables for two months	1.16	1.31
<b>4</b>	<b>Total Working Capital</b>	<b>2.60</b>	<b>2.98</b>
5	Rate of Interest	10.00%	10.86%
<b>6</b>	<b>Interest on Working Capital</b>	<b>0.26</b>	<b>0.32</b>

### Commission's Analysis

**4.7.2** The Commission has computed normative IoWC in accordance with Regulation 37 of the MYT Regulations, 2021. The rate of Interest has been considered equal to SBI MCLR (One-Year Tenor) prevalent during FY 2022-23 plus 300 basis points, i.e., 10.80%.

**4.7.3** For computation of working capital requirement, the normative O&M Expenses and actual revenue billed as receivables have been considered. IoWC approved by the Commission in the truing up for FY 2022-23 is shown in the following Table:

**Table 19: IoWC for FY 2022-23 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in order dt. 21.03.2022	SLDC Submission	Approved after true-up
1	O&M expenses for 1 month	0.52	0.60	0.59
2	Maintenance spares @ 15% of O&M expenses	0.93	1.08	1.07
3	Receivables for two months	1.16	1.31	1.08
4	<b>Total Working Capital</b>	<b>2.60</b>	<b>2.98</b>	<b>2.75</b>
5	Rate of Interest	10.00%	10.86%	10.80%
6	<b>Interest on Working Capital</b>	<b>0.26</b>	<b>0.32</b>	<b>0.30</b>

Accordingly, the Commission approves Interest on Working Capital of Rs. 0.30 Crore for FY 2022-23 after truing up.

### 4.8 Income Tax

**4.8.1** SLDC has claimed NIL Income Tax as per the audited accounts for FY 2022-23.

### Commission's Analysis

**4.8.2** The Commission has not considered any Income Tax in the truing up for FY 2022-23.

#### 4.9 Non-Tariff Income

4.9.1 The Commission had approved Non-Tariff Income (NTI) of Rs. 0.12 Crore in the Tariff Order dated March 21, 2022 for FY 2022-23.

4.9.2 SLDC submitted that the amount of NTI comprises mostly of income from SLDC charges paid by Indian Energy Exchange (IEX), which is under head of Other Miscellaneous Receipt. SLDC submitted that it has considered the actual NTI of Rs. 0.16 Crore earned during FY 2022-23 in the truing up, as shown in the Table below:

**Table 20: NTI for FY 2022-23 (Rs. Crore)**

Particulars	Approved in order dt. 21.03.2022	SLDC Submission
Interest from Banks		0.01
Rental from Contractors/Others		0.02
Other Miscellaneous Receipt (Application fees and Other charges from STOA consumers)		0.14
<b>Total</b>	<b>0.12</b>	<b>0.16</b>

4.9.3 SLDC requested the Commission to approve the NTI amounting to Rs. 0.16 Crore in the true-up for FY 2022-23.

#### Commission's Analysis

4.9.4 The Commission has verified the head-wise NTI from the Audited Accounts of AEGCL for FY 2022-23.

4.9.5 The Commission has therefore, considered the NTI in the truing up for FY 2022-23 as Rs. 0.16 Crore based on the Audited Accounts, as shown in the Table below:

**Table 21: NTI approved by the Commission for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt 21.03.2022	SLDC Submission	Approved after true-up
1	Application fees and Other charges from STOA consumers		0.14	0.14
2	Rent from Contractors/Suppliers/Others		0.02	0.02
3	Interest from Banks		0.01	0.01

Sl. No.	Particulars	Approved in Order dt 21.03.2022	SLDC Submission	Approved after true-up
	<b>Total</b>	<b>0.12</b>	<b>0.16</b>	<b>0.16</b>

#### 4.10 Status of SAMAST Fund

**4.10.1** The Commission notes that it has allowed a fund of Rs. 5 Crore to SLDC in the ARR of FY 2020-21 over and above its ARR requirement to meet its funding requirements for metering of all the interconnection points for segment-wise proper energy accounting under SAMAST Project. SLDC has not incurred any investment against this fund in FY 2020-21, FY 2021-22 and FY 2022-23. The Commission in its Tariff Order dated 21 March, 2022 has stated that this fund would be treated as a Special Fund for SLDC from which Investment towards relevant projects could be drawn on immediate basis. The Commission has allowed this fund so that SLDC could expeditiously utilise this Fund to accelerate implementation of SAMAST. However, SLDC has failed to utilise this Fund in FY 2020-21, FY 2021-22 and FY 2022-23. The Commission is of the opinion that any Funds remaining idle with AEGCL/SLDC would be subject to holding cost, i.e., the amount in the Fund would be increased to factor in the holding cost, as and when the Fund is utilised.

Thus, the Commission has computed the nominal interest on the Fund and has added the same to the SAMAST Fund to be utilised by SLDC as and when required.

**Table 22 : Status of SAMAST fund at the end of FY 2022-23 (Rs. Crore)**

Particulars	2020-21	2021-22	2022-23
Opening amount of Fund	-	5.25	5.78
Addition during the year	5.00	-	-
Utilisation during the year	-	-	-
Closing amount of fund	5.00	5.25	5.78
Working capital interest rate	10.05%	10.00%	10.80%
Interest on SAMAST Fund parked with SLDC	0.25	0.53	0.62
<b>Total amount of Fund available with SLDC for utilisation at the end of FY 2022-23</b>	<b>6.40</b>		

SLDC is directed to expeditiously utilise this special Fund, else, the Commission would be constrained to attach a cost to SLDC for non-utilisation of consumer contributed Fund to accelerate implementation of SAMAST.

#### 4.11 ARR after Truing Up of FY 2022-23

4.11.1 Considering the above heads of expense and revenue as per the Audited Accounts for FY 2022-23 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2022-23 is shown in the following Table:

**Table 23 : ARR approved after Truing up for FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 21.03.2022	Proposed by SLDC	Approved after true-up
1	O&M Expenses	6.18	7.18	7.13
a	Employee Cost	5.29	6.30	6.25
b	R&M Expenses	0.54	0.52	0.52
c	A&G Expenses	0.35	0.36	0.36
2	Depreciation	0.09	0.33	0.13
3	Interest & Finance Charges	0.08	0.08	0.01
4	Interest on Working Capital	0.26	0.32	0.30
5	Return on Equity	-	0.09	0.13
6	Income Tax	-	-	-
7	Less: Non-Tariff Income	0.12	0.16	0.16
<b>8</b>	<b>Aggregate Revenue Requirement</b>	<b>6.50</b>	<b>7.85</b>	<b>7.53</b>
9	Add: Sharing of (Gains)/Loss	-	(0.01)	0.01
<b>10</b>	<b>ARR after Sharing (Gains)/Losses</b>	<b>6.50</b>	<b>7.84</b>	<b>7.54</b>
11	Revenue with approved tariff	6.50	6.50	6.50
<b>12</b>	<b>Revenue Gap/(Surplus)</b>	<b>-</b>	<b>1.34</b>	<b>1.04</b>

4.11.2 The Commission has approved ARR after Truing-up for FY 2022-23 as Rs. 7.54 Crore. After considering the actual Revenue, the Revenue Gap of Rs. 1.04 Crore is approved after truing up for FY 2022-23. This Gap, with associated Carrying cost, has been considered for adjustment in the net ARR of APDCL during FY 2024-25.

## 5 Annual Performance Review for FY 2023-24

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### 5.1 Methodology for Annual Performance Review

- 5.1.1** The Commission approved the ARR for FY 2023-24 in the Tariff Order dated March 29, 2023.
- 5.1.2** SLDC submitted the APR for FY 2023-24 comparing actual performance during April to September (H1) and revised estimates for October to March (H2) of FY 2023-24 with figures approved for FY 2023-24 vide Tariff Order dated March 29, 2023. AEGCL clarified that the GFA of SLDC has been segregated from AEGCL's GFA and is filed separately under SLDC's Petition.
- 5.1.3** In the present Chapter, the Commission has analysed the revised estimates of all the components of the ARR vis-à-vis values approved in the Tariff Order for FY 2023-24. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2023-24. No sharing of gains/(losses) has been undertaken at this stage and the same shall be considered at the time of Truing up for FY 2023-24.

### 5.2 Operation and Maintenance Expenses

- 5.2.1** SLDC submitted that O&M expenses for FY 2023-24 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis. The O&M expenses claimed in the true-up for FY 2022-23 have been considered as the base expenses. The average WPI and CPI have been considered as 7.90% and 5.40%, respectively. The normative O&M expenses submitted by SLDC for FY 2023-24 are shown in the Table below:

**Table 24 : Normative O&M Expenses Projected by SLDC for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission
1	<b>O&amp;M Expenses</b>	<b>9.58</b>	<b>9.52</b>
a	Employee Expenses	7.70	7.71
b	R&M Expenses	1.20	1.12
c	A&G Expenses	0.68	0.69

- 5.2.2** SLDC also submitted the revised estimates of each component of O&M expenses for

FY 2023-24, based on the actual expenses in the first six months and estimates for the remaining six months. The claim of SLDC under various heads of O&M expenses is discussed below.

### **5.2.3 Employee Expenses**

SLDC submitted that the normative employee cost for FY 2022-23 has been considered as base employee cost for FY 2023-24. The Growth Factor of SLDC has been considered as 1.00% as approved by the Commission in the Tariff Order dated March 29, 2023. SLDC submitted that Commission approved Rs. 1 Crore in Tariff Order dated March 29, 2023 towards additional expense for increase in number of employees. SLDC has submitted that 4 employees will be added in FY 2023-24, while 1 employee would be retiring during the year. SLDC is not able to meet its actual employee expense if employee expense is approved on normative basis. Hence, SLDC requested the Commission to approve the additional expense of Rs. 1 Crore and normative Employee Expenses amounting to Rs. 7.71 Crore.

### **5.2.4 R&M Expenses**

SLDC submitted that during FY 2023-24, the estimated AMC cost for SCADA/EMS based on 6 months actual (H1) and 6 months projection (H2) has been considered as Rs. 0.42 Crore, and for firewall AMC, Website Maintenance, etc., has been considered as Rs. 0.08 Crore, which needs to be considered under R&M Expenses. SLDC further submitted that the Commission has approved Rs. 0.56 Core as provision for Cyber security enhancement in Tariff Order dated March 29, 2023, which has been initiated by SLDC for completion during FY 2023-24. SLDC submitted that considering WPI of 7.90% and “K” factor of AEGCL as 1% as approved by the Commission in the MYT Order dated March 21, 2022, SLDC has estimated normative R&M expenses of Rs. 1.12 Crore for FY 2023-24.

### **5.2.5 A&G Expenses**

SLDC submitted that the normative A&G expenses for FY 2022-23 has been considered as base A&G expenses for FY 2023-24. SLDC requested for allowing provision for Additional expenses as the normative A&G expenses are not sufficient to meet the basic requirement and daily operations of the SLDC offices, such as electricity expenses amounting to Rs. 0.30 Crore per year for the SLDC offices and the vehicles for senior officials of SLDC also needs to be arranged. SLDC requested the Commission to approve the normative A&G expenses amounting to Rs. 0.69 Crore.

## Commission's Analysis

**5.2.6** The Commission has approved the O&M Expenses for SLDC on normative basis in the Tariff Order as per MYT Regulations, 2021. In the APR for FY 2023-24, the Commission has provisionally approved the normative O&M expenses based on the normative O&M expenses allowed in the true-up for FY 2022-23 and considering the applicable escalation indices.

## Employee Expenses

**5.2.7** For computation of normative employee expenses for FY 2023-24, the Commission has adopted the following approach:

- a) The normative employee expenses approved for SLDC for FY 2022-23 in this Order have been considered as base expenses for FY 2023-24;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2020-21 to FY 2022-23, which works out to 5.40%;
- c) Growth factor of 1% has been considered as approved in the MYT Order, subject to actual increase in number of employees;
- d) The additional employee expenses of Rs. 1 Crore claimed by SLDC towards increase in number of employees has been considered.

**5.2.8** The normative employee expenses approved for FY 2023-24 is shown in the following Table:

**Table 25 : Approved Employee Expenses for FY 2023-24 (Rs. Crore)**

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after APR
Base Employee Cost (n-1)	6.31	6.30	6.25
Avg CPI rate of preceding three years	5.18%	5.40%	5.40%
Growth Factor	1.00%	1.00%	1.00%
Normative Employee Cost	6.70	6.71	6.66
Additional Expense for increase in number of Employees	1.00	1.00	1.00
<b>Normative Employee Cost</b>	<b>7.70</b>	<b>7.71</b>	<b>7.66</b>



## R&M Expenses

**5.2.9** For computation of normative R&M Expenses for FY 2023-24, the Commission has considered the following approach:

- WPI inflation for computation of R&M Expenses works out to 7.90% as per MYT Regulations, 2021, based on average increase of WPI for the period from FY 2020-21 to FY 2022-23;
- K-factor has been considered as 1%, as approved in the MYT Order;
- AMC Cost of SCADA/EMS has been approved separately after removing it from normative R&M Expense of AEGCL;
- Firewall AMC, Website Maintenance, etc., of Rs. 0.08 Crore has also been approved separately as these expenses are essential expenses required to be incurred by SLDC;
- The Commission has allowed the additional amount of Rs. 0.56 Crore towards cyber security enhancement as claimed by SLDC.

**5.2.10** The normative R&M expenses approved for FY 2023-24 is shown in the following Table:

**Table 26 : Approved R&M Expenses for FY 2023-24 (Rs. Crore)**

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after APR
Opening GFA for previous year	5.61	5.48	5.61
Closing GFA for previous year	21.15	5.65	5.78
Average GFA for previous year	13.38	<b>5.56</b>	5.70
K Factor	1.00%	1.00%	1.00%
WPI Inflation	5.32%	7.90%	7.90%
<b>R&amp;M Expenses</b>	<b>0.14</b>	<b>0.06</b>	<b>0.06</b>
AMC Cost for SCADA/EMS	0.42	0.42	0.42
Firewall AMC, Website Maintenance etc.	0.08	0.08	0.08
Additional Expenses for Cyber Security Enhancement	0.56	0.56	0.56
<b>Normative R&amp;M Expenses</b>	<b>1.20</b>	<b>1.12</b>	<b>1.12</b>

## A&G Expenses

5.2.11 For computation of A&G expenses for FY 2023-24, the Commission has adopted the following approach:

- The normative A&G expenses approved for SLDC after true up for FY 2022-23 in this Order have been considered as base expenses for computation of normative A&G expenses for FY 2023-24;
- As discussed in earlier para, the Commission has considered the WPI inflation of 7.90%.
- The Commission has approved provision for additional expenses amounting to Rs. 0.30 Core as claimed by SLDC.

5.2.12 The normative A&G expenses approved for FY 2023-24 is shown in the following Table:

**Table 27 : Approved A&G Expenses for FY 2023-24 (Rs. Crore)**

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after APR
A&G Expenses for Previous Year	0.36	0.36	0.36
WPI Inflation	8.02%	7.90%	7.90%
Provision for Additional Expenses	0.30	0.30	0.30
<b>A&amp;G Expenses-SLDC</b>	<b>0.68</b>	<b>0.69</b>	<b>0.69</b>

5.2.13 In view of the above, the Commission approves the normative O&M expenses in the APR for FY 2023-24 as shown in the following Table:

**Table 28 : Approved O&M Expenses for FY 2023-24 (Rs. Crore)**

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after APR
<b>Total O&amp;M Expenses</b>	<b>9.58</b>	<b>9.52</b>	<b>9.46</b>
Employee Expenses	7.70	7.71	7.66
R&M Expenses	1.20	1.12	1.12
A&G Expenses	0.68	0.69	0.69

### **5.3 Capitalisation**

**5.3.1** The Commission had approved capitalisation of Rs. 1.18 Crore for FY 2023-24 for SLDC in the Tariff Order dated March 29, 2023. SLDC submitted that it expects to incur capitalisation of Rs. 1.18 Crore in FY 2023-24, which includes Rs. 2 Lakh for Lines, Cable Networks, etc., Rs. 6 Lakh for furniture & fixtures, Rs. 45 Lakh for office equipment, Rs. 5 Lakh for IT equipment and Rs. 60 Lakh for Civil Works. SLDC submitted that the amount of Rs. 1.18 Crore is to be funded through Loan.

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

**5.3.2** The Commission has provisionally considered capitalisation as claimed by SLDC. The funding of capitalisation is considered as submitted by SLDC.

### **5.4 Depreciation**

**5.4.1** The Commission had approved the Depreciation of Rs. 0.13 Crore for FY 2023-24 in the Tariff Order dated March 29, 2023. As against this, SLDC has claimed depreciation of Rs. 0.35 Crore in the APR for FY 2023-24.

**5.4.2** SLDC submitted that it has calculated Depreciation taking into consideration of opening balance of assets and provisional capitalisation during FY 2022-23. SLDC has computed Depreciation for assets excluding those funded through grant mechanism.

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

**5.4.3** The Commission has considered the opening GFA for FY 2023-24 equivalent to the closing GFA for FY 2022-23 as approved in this Order. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

**5.4.4** As per MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of Asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has not considered the depreciation on assets funded through grants or capital subsidy, for FY 2023-24.

**5.4.5** The depreciation provisionally approved for FY 2023-24 in APR is given in the Table below:

**Table 29 : Depreciation approved for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned under full ownership			-	-
2	Land under lease	-		3.34%	-
3	Building	0.35	-	3.34%	-
4	Hydraulic	-	-	5.28%	-
5	Other Civil Works	0.04	0.60	3.34%	0.01
6	Plant & Machinery	4.83	-	5.28%	0.25
7	Lines & Cable Network	0.07	0.02	5.28%	-
8	Vehicles	-	-	9.50%	-
9	Furniture & Fixtures	0.17	0.06	6.33%	0.01
10	Office Equipment	0.34	0.45	6.33%	0.03
11	Computer & Accessories	-	0.05	15%	0.004
<b>12</b>	<b>Grand Total</b>	<b>5.78</b>	<b>1.18</b>		<b>0.32</b>
13	Less: Depreciation for Grants				0.11
	<b>Net Total</b>				<b>0.21</b>

**The Commission provisionally approves Depreciation of Rs. 0.21 Crore in the APR for FY 2023-24.**

## **5.5 Interest and Finance Charges**

**5.5.1** The Commission had approved Interest and Finance Charges of Rs. 0.16 Crore for FY 2023-24 in the Tariff Order dated March 29, 2023. As against this, SLDC has claimed Interest and finance Charges of Rs. 0.11 Crore for FY 2023-24.

### **Commission's Analysis**

**5.5.2** The Commission in the Tariff Order dated March 29, 2023 had approved the Interest and Finance Charges of Rs. 0.16 Crore for FY 2023-24, on normative basis as per MYT Regulations, 2021. The closing net normative loan of Rs. 0.90 Crore for FY 2022-23 has been considered as the net normative loan as on April 1, 2023. The addition of

loan has been considered equal to debt portion of capitalised works as approved in this Order. The loan repayment has been considered equivalent to Depreciation approved in this Order.

**5.5.3** As per MYT Regulations, 2021, weighted average rate of interest shall be computed based on actual outstanding loan as on April 1, 2023. The weighted average interest rate has been considered as 0.58%, equal to the interest rate considered for AEGCL, for computation of interest on loan capital for SLDC.

**5.5.4** The Interest on loan capital as approved by the Commission for FY 2023-24 is shown in the following Table:

**Table 30 : Approved Interest on loan Capital for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after APR
1	Net Normative Opening Loan	1.06	0.70	0.90
2	Addition of normative loan during the year	1.18	1.18	1.18
3	Normative Repayment during the year	0.13	0.35	0.21
4	Net Normative Closing Loan	<b>2.10</b>	<b>1.52</b>	<b>1.87</b>
5	Interest Rate	<b>9.92%</b>	<b>9.92%</b>	<b>0.58%</b>
<b>6</b>	<b>Total Interest and Finance Charges</b>	<b>0.16</b>	<b>0.11</b>	<b>0.01</b>

**The Commission provisionally considers Interest on loan Capital of Rs. 0.01 Crore in the APR for FY 2023-24.**

## **5.6 Return on Equity**

**5.6.1** The Commission had approved Return on Equity as NIL for FY 2023-24 in the Order dated March 29, 2023. As against this, SLDC has claimed Return on Equity of Rs. 0.09 Crore for FY 2023-24.

### **Commission's Analysis**

**5.6.2** The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2021. There is Nil equity addition corresponding to Capitalisation during the year, as the entire Capitalisation is considered as funded by

loans.

- 5.6.3** The Commission has also considered the additional equity allowable in FY 2023-24 on account of conversion of Grants to equity, as shown in the Table below:

**Table 31: Conversion of Grant to Equity approved by the Commission for FY 2023-24 (Rs. Crore)**

Particulars	Amount
Opening GFA	5.78
Average Grant towards GFA	2.23
If conversion of Rs. 3.91 Crore of grant considered	2.23
Net Grant towards GFA	0.00
Net assets to be funded	5.78
Maximum Equity that can be considered	1.73
Equity already considered	1.68
Equity that can be additionally allowed	0.05

- 5.6.4** Therefore, the approved Return on Equity at 15.50% is shown in the Table below:

**Table 32 : Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Approved in order dt. 29.03.2023	SLDC Submission	Approved after true-up
1	Equity (Opening Balance)	-	0.59	1.68
2	Net additions during the year	-	-	0.05
3	Less: Reduction during the year	-	-	-
4	Equity (Closing Balance)	-	0.59	1.73
5	Average Equity	-	0.59	1.71
6	Rate of Return on Equity	-	15.50%	15.50%
7	<b>Return on Equity</b>	-	<b>0.09</b>	<b>0.26</b>

**The Commission approves the Return on Equity as Rs. 0.26 Crore for FY 2023-24.**

## **5.7 Interest on Working Capital (IoWC)**

- 5.7.1** The Commission approved IoWC of Rs. 0.41 Crore for FY 2023-24 in the Tariff Order

dated March 29, 2023. As against this, SLDC has claimed normative loWC of Rs. 0.46 Crore for FY 2023-24, computed as specified in MYT Regulations, 2021.

### Commission's Analysis

**5.7.2** The Commission has computed loWC in accordance with MYT Regulations, 2021. The rate of Interest has been considered equal to SBI Base Rate/MCLR Rate prevalent in the last six months of 2023 as on filing the Petition plus 300 basis points, i.e., 11.53%. Further, receivables have been considered equal to the revenue approved for FY 2023-24 in the Tariff Order. loWC approved by the Commission for FY 2023-24 is shown in the following Table:

**Table 33: loWC for FY 2023-24 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order dt. 29.03.2023	SLDC Submission	Approved after APR
1	O&M expenses for 1 month	0.80	0.79	0.79
2	Maintenance spares @ 15% of O&M Expenses	1.44	1.43	1.42
3	Receivables for two months	1.68	1.73	1.69
<b>4</b>	<b>Total Working Capital</b>	<b>3.92</b>	<b>3.95</b>	<b>3.89</b>
5	Rate of Interest	10.58%	11.53%	11.53%
<b>6</b>	<b>Interest on Working Capital</b>	<b>0.41</b>	<b>0.46</b>	<b>0.45</b>

Accordingly, the Commission approves loWC of Rs. 0.45 Crore in the APR for FY 2023-24.

### 5.8 Non-Tariff Income

**5.8.1** SLDC has considered NTI of Rs. 0.14 Crore for FY 2023-24, by considering NTI in H2 of FY 2023-24 equal to the NTI in H1 of FY 2023-24. The NTI comprises income from Open Access applications and SLDC charges paid by IEX.

### Commission's Analysis

**5.8.2** The Commission has provisionally considered Non-Tariff Income of Rs. 0.17 Crore for FY 2023-24, based on a 5% escalation of the actual NTI earned in FY 2022-23. The

actual NTI shall be considered at the time of truing up for FY 2023-24, subject to prudence check.

**Table 34 : NTI approved by the Commission for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order dt. 29.03.2023	SLDC Submission	Approved after APR
1	Interest from Banks		0.01	0.01
2	Rental from contractors/others		0.01	0.02
3	Application fees and other charges from Open Access consumers		0.12	0.14
4	SLDC Charges paid by IEX		-	-
	<b>Total</b>	<b>0.18</b>	<b>0.14</b>	<b>0.17</b>

## 5.9 Status of SAMAST Fund

**5.9.1** The Commission notes that it has allowed a fund of Rs. 5 Crore to SLDC in the ARR of FY 2020-21 over and above its ARR requirement to meet its funding requirements for metering of all the interconnection points for segment-wise proper energy accounting under SAMAST Project. SLDC has not incurred/does not propose any investment against this Fund in FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24. The Commission in its Tariff Order dated 21 March, 2022 has stated that this fund would be treated as a Special Fund for SLDC from which Investment towards relevant projects could be drawn on immediate basis. The Commission has allowed this fund so that SLDC could expeditiously utilise this Fund to accelerate implementation of SAMAST. However, SLDC has failed to utilise this Fund in FY 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24. The Commission is of the opinion that any Funds remaining idle with AEGCL/SLDC would be subject to holding cost, i.e., the amount in the Fund would be increased to factor in the holding cost, as and when the Fund is utilised.

Thus, the Commission has computed the nominal interest on the Fund and has added the same to the SAMAST Fund to be utilised by SLDC as and when required.



**Table 35 : Status of SAMAST fund at the end of FY 2023-24 (Rs. Crore)**

Particulars	2020-21	2021-22	2022-23	2023-24
Opening amount of Fund	-	5.25	5.78	6.40
Addition during the year	5.00	-	-	-
Utilisation during the year	-	-	-	-
Closing amount of fund	5.00	5.25	5.78	6.40
Working capital interest rate	10.05%	10.00%	10.80%	11.53%
Interest on SAMAST Fund parked with SLDC	0.25	0.53	0.62	0.74
<b>Total amount of Fund available with SLDC for utilisation at the end of FY 2023-24</b>	<b>7.14</b>			

SLDC is directed to expeditiously utilise this special Fund, else, the Commission would be constrained to attach a cost to SLDC for non-utilisation of consumer contributed Fund to accelerate implementation of SAMAST.

## 5.10 ARR after Annual Performance Review of FY 2023-24

5.10.1 Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2023-24 is shown in the following Table:

**Table 36 : ARR approved after APR for 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order. dtd. 29.03.2023	Proposed by SLDC	Approved after APR
1	O&M Expenses	9.58	9.52	9.46
1.1	<i>Employee Cost</i>	7.70	7.71	7.66
1.2	<i>R&amp;M Expenses</i>	1.20	1.12	1.12
1.3	<i>A&amp;G Expenses</i>	0.68	0.69	0.69
2	Depreciation	0.13	0.35	0.21
3	Interest & Finance Charges	0.16	0.11	0.01
4	Interest on Working Capital	0.41	0.46	0.45
5	Return on Equity	0.00	0.09	0.26
6	Less: Non-Tariff Income/ Other Income	0.18	0.14	0.17
7	<b>Aggregate Revenue Requirement</b>	<b>10.11</b>	<b>10.39</b>	<b>10.22</b>

## 5.11 Revenue Gap/(Surplus) for FY 2023-24

5.11.1 SLDC has claimed Revenue Gap of Rs. 0.29 Crore after APR for FY 2023-24.

### Commission's Analysis

5.11.2 The Commission has computed the Revenue Gap/(Surplus) arising out of APR for FY 2023-24 as shown in the following Table:

**Table 37: Revenue Gap/(Surplus) after APR for FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Proposed by SLDC	Approved in APR
1	Net ARR	10.39	10.22
2	Revenue with Approved Tariff	10.11	10.11
3	<b>Revenue Gap/(Surplus)</b>	<b>0.29</b>	<b>0.11</b>

5.11.3 The APR reveals a Gap of Rs. 0.11 Crore for FY 2023-24. It is only indicative, in the absence of Audited Annual Accounts for FY 2023-24. It will be considered during the Truing up process for FY 2023-24, after the Audited Annual Accounts are made available.

## 6 Revised ARR of SLDC for FY 2024-25

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### 6.1 Introduction

6.1.1 The Commission had approved the ARR of SLDC for FY 2024-25 in the MYT Order dated March 21, 2022. This Chapter deals with the determination of revised ARR of SLDC for FY 2024-25 in accordance with the provisions of MYT Regulations, 2021.

### 6.2 Operation and Maintenance Expenses

6.2.1 SLDC submitted that O&M expenses of SLDC for FY 2024-25 consist of the following heads:

- a) Employee expenses
- b) R&M expenses
- c) A&G expenses

The claim of SLDC under various heads of O&M expenses are discussed below:

#### 6.2.2 Inflation Indices

6.2.3 SLDC submitted that the average increase in the WPI for the immediately preceding three years gives the WPI for the Base year. Since the WPI data is currently available till FY 2022-23, the Inflation factor could be computed till FY 2023-24. Hence, the resulting average WPI of 7.90% has been considered for projecting the O&M expenses for FY 2024-25.

6.2.4 SLDC submitted that the average increase in the CPI for the immediately preceding three years gives the CPI for the base year. Since the CPI data is currently available till FY 2022-23, the Inflation factor could be computed till FY 2023-24. Hence the resulting average CPI of 5.40% has been considered for projecting the O&M expenses for FY 2024-25.

#### Employee Expenses

6.2.5 SLDC submitted that the employee cost for the previous year has been considered as the base. The Growth Factor of SLDC has been considered as 1.00% for FY 2024-25. SLDC have also prayed for additional expense of Rs 1 Crore for increase in number of employees as has been approved in previous Tariff Orders to meet the legitimate expenses to be paid for salaries. SLDC has accordingly projected the normative

employee expenses for FY 2024-25 as Rs. 9.21 Crore.

### **R&M Expenses**

**6.2.6** SLDC submitted that the projected AMC cost of SCADA/EMS amounting to Rs. 0.45 Crore and Firewall AMC, Website Maintenance, Laptop/Desktop AMC, and maintenance of Access Control System for Server room amounting to Rs. 0.10 Crore have been considered for FY 2024-25. SLDC submitted that the licence for the set of external firewalls used in SCADA will expire in December 2024. New firewalls shall have to be procured in case the OEM is unable to extend the validity of the current licence. Procurement of one set of firewalls to be used as internal firewall is under progress. Therefore, considering price escalation, additional amount of Rs. 30 Lakh for enhancing Cyber Security has been projected over and above the R&M expenses for FY 2024-25.

### **AMC under SAMAST Project**

The projected AMC cost under the SAMAST project amounting to Rs. 1.50 crore for each of the two parts of the project has also been submitted by SLDC. The two parts of the project are as stated below:

- 6.2.6.1 Part -I: Metering and AMR: 0.2s Class ABT Type Energy Meters and Automated Meter Reading (AMR) Solution as per SAMAST Guidelines at various Substations of AEGCL for the State of Assam. Hardware and Software which includes 560 nos. of Interface Energy Meters (IEM) at various Grid Sub-stations of AEGCL along with AMR equipment, Central Data Collecting Server (CDCS) and Meter Data Acquisition Software (MDAS) at SLDC/Data Centre.
- 6.2.6.2 Part-II: IT solution of SAMAST: Hardware equipment and its software i.e., Database server, virtualization server, NMS server, NAS, SAN, work station, Desktop, Firewall, managed network switch, online UPS and Battery Bank. Development of software modules i.e., Scheduling & Despatch, Energy Accounting, Open Access,

**6.2.7** In view of the above, SLDC has requested the Commission to approve AMC of Meter and AMR of Rs. 1.50 crore and AMC of IT Solution of Rs. 1.50 crore under SAMAST.

### **K Factor for FY 2024-25**

**6.2.8** SLDC has considered the 'K' factor of 1% for FY 2024-25 as approved in the MYT Order.

**6.2.9** SLDC has accordingly projected the normative R&M expenses for FY 2024-25 as Rs. 3.92 Crore.

## A&G Expenses

**6.2.10** SLDC has projected the normative A&G expenses for FY 2024-25 as Rs. 1.04 Crore, including an amount of Rs. 0.30 Crore as provision for additional expenses related to SAMAST project execution related expenses such as TA bills for officers, POL expenditure, training sessions for officers and staff at field level requiring frequent travel of SLDC officers and rise in electricity expenses due to installation of a new server room and data center within the SLDC building.

## Commission's Analysis

**6.2.11** The Commission has computed the O&M Expenses for FY 2024-25 on normative basis as per Regulation 102 of the MYT Regulations, 2021. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and loss on account of controllable items as per Regulation 10 of MYT Regulations, 2021 at the time of truing up for respective year.

**6.2.12** For computation of employee expenses for FY 2024-25, the Commission has adopted the following approach:

- a) The employee expenses allowed in the APR for FY 2023-24 have been considered as base expenses;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2021-22 to FY 2023-24 (up to November, 2023), which works out to 5.32%;
- c) Considering the projected increase in number of employees over the Control Period, growth factor of 1% has been considered.
- d) Additional expense of Rs. 1 Crore has also been allowed for FY 2024-25, as claimed by SLDC.

**6.2.13** The normative employee expenses approved for FY 2024-25 is shown in the following Table:

**Table 38 : Approved Employee Expenses for FY 2024-25 (Rs. Crore)**

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by the Commission
Base Employee Cost (n-1)	5.64	7.71	7.66
CPI escalation rate	5.53%	5.40%	5.32%
Growth Factor	1.00%	1.00%	1.00%

<b>Particulars</b>	<b>Approved in MYT Order. dt. 21.03.2022</b>	<b>SLDC Submission</b>	<b>Approved by the Commission</b>
Normative Employee Cost	-	8.21	8.14
Additional Expense for increase in number of Employees	-	1.00	1.00
<b>Normative Employee Cost</b>	<b>6.01</b>	<b>9.21</b>	<b>9.14</b>

**6.2.14** For computation of R&M Expenses for FY 2024-25, the Commission has adopted the following approach:

- a) WPI inflation has been computed for FY 2024-25 based on available data for the period from FY 2021-22 to FY 2023-24 (up to December, 2023), which works out to 7.23%;
- b) K-factor governs the relationship between R&M expenses and Gross Fixed Assets. The Commission has considered the K-factor for FY 2024-25 as 1% as approved in the MYT Order;
- c) Rs. 0.45 Crore AMC Cost of SCADA/EMS has been approved separately;
- d) Firewall and Laptop AMC, Website maintenance, etc., have been allowed separately amounting to Rs. 0.10 Crore;
- e) An additional amount of Rs. 0.30 Crore has been allowed towards enhancing cyber security as proposed by SLDC;
- f) The Commission has allowed an amount of Rs. 1.50 Crore towards AMC of the IT Solutions installed as a part of the SAMAST system;
- g) For AMC of the Metering and AMRs installed under SAMAST guidelines, an amount of Rs. 1.23 Crore has been allowed.
- h) SLDC is directed to submit detailed explanation of the expenses along with audited documentary evidence at the time of True up of FY 2024-25. The Commission would verify the prudence of these expenses at the time of true up.

**6.2.15** The normative R&M expenses approved for FY 2024-25 is shown in the following Table:

**Table 39 : Approved R&M Expenses for FY 2024-25 (Rs. Crore)**

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by the Commission
Opening GFA for previous year	15.83	5.65	5.78
Closing GFA for previous year	15.85	6.83	6.96
Average GFA for previous year	15.84	6.24	6.37
K Factor	1.00%	1.00%	1.00%
WPI escalation	4.13%	7.90%	7.23%
<b>R&amp;M Expenses</b>	<b>0.16</b>	<b>0.07</b>	<b>0.07</b>
AMC Cost for SCADA/EMS	0.38	0.45	0.45
Firewall AMC, Website Maintenance etc.	0.10	0.10	0.10
Additional expense for cyber security enhancement	-	0.30	0.30
SAMAST AMC - IT Solution	-	1.50	1.50
SAMAST AMC - Meter & AMR	-	1.50	1.23
<b>Total R&amp;M Expenses</b>	<b>0.65</b>	<b>3.92</b>	<b>3.65</b>

**6.2.16** For computation of A&G expenses for FY 2024-25, the Commission has adopted the following approach:

- a) The A&G expenses approved after APR for FY 2023-24 have been considered as base expenses;
- b) WPI inflation has been computed for FY 2024-25 based on available data, which works out to 7.23%.
- c) The Commission has approved provision for additional expenses amounting to Rs. 0.30 Crore as claimed by SLDC.

**6.2.17** Further, in order to facilitate creation of a proper architectural plan for the Back-up SLDC, the Commission has allowed an additional amount of Rs. 15 lakh in addition to normative A&G expenses. This amount shall be maintained separately and used by SLDC exclusively to appoint an appropriate architect for preparation of the architectural plan for the Back-up SLDC Building. SLDC has to provide details of all expenses made against this additional amount along with subsequent Petitions. No sharing of gains/losses on account of such additional amount allowed to SLDC shall be

undertaken at the time of truing up for FY 2024-25.

**6.2.18** The approved A&G expenses for FY 2024-25 is shown in the following Table:

**Table 40 : Approved A&G Expenses for FY 2024-25 (Rs. Crore)**

<b>Particulars</b>	<b>Approved in MYT Order. dt. 21.03.2022</b>	<b>SLDC Submission</b>	<b>Approved by the Commission</b>
A&G Expenses for Previous Year	0.37	0.69	0.69
WPI escalation	4.13%	7.90%	7.23%
Provision for Additional Expenses	-	0.30	0.30
Additional Expenses for Architectural Plan for Back-up SLDC Building	-	-	0.15
<b>A&amp;G Expenses</b>	<b>0.38</b>	<b>1.04</b>	<b>1.19</b>

**6.2.19** Accordingly, the Commission approves the O&M expenses for FY 2024-25 as shown in the following Table:

**Table 41 : Approved O&M Expenses for FY 2024-25 (Rs. Crore)**

<b>Particulars</b>	<b>Approved in MYT Order. dt. 21.03.2022</b>	<b>SLDC Submission</b>	<b>Approved by the Commission</b>
<b>O&amp;M Expenses</b>	<b>7.04</b>	<b>14.17</b>	<b>13.98</b>
Employee Cost	6.01	9.21	9.14
R&M Expenses	0.65	3.92	3.65
A&G Expenses	0.38	1.04	1.19

### **6.3 Capitalisation**

**6.3.1** The Commission had approved capitalisation of Rs. 19.57 crore for FY 2024-25 for SLDC in the MYT Order dated March 21, 2022.

**6.3.2** SLDC submitted that it had revised the capital investment plan based on the current scenario. The scheme-wise capitalisation along with funding pattern proposed by



SLDC are as follows:

- a) **Buildings:** SLDC submitted that the present server room has space constraint and the roof of the SLDC building must be treated to stop seepage during rain. With the numerous communication panels as well as MUX panels, which shall be required in near future for NERPSIP and other schemes, an estimated amount of Rs. 0.40 Crore is proposed to be spent for a new Annex building adjacent to the SLDC building for housing equipment of higher importance.
- b) **Civil Works:** SLDC submitted that an estimated amount of Rs. 0.40 Crore is proposed to be spent for Construction of approach road from main gate and renovation and beautification of the SLDC building.
- c) **Lines, Cable and Network:** SLDC submitted that it plans to spend Rs. 0.02 Crore towards enhancing the lighting of SLDC building and changing and renovation of old cables along with electrical maintenance of the SLDC building.
- d) **Furniture & Fixtures:** SLDC submitted that it plans to spend Rs. 0.03 Crore towards procurement of furniture at SLDC Office.
- e) **Office equipment:** SLDC submitted that it plans to spend Rs. 0.05 Crore for AC installation at remaining building.
- f) **IT Equipment:** SLDC submitted that it plans to spend Rs. 0.05 Crore for Laptops, Desktop and printers for SLDC.
- g) In addition to the above, SLDC submitted that the special fund of Rs. 5 Crore for metering of all the interconnection points for segment-wise energy accounting, allowed by the Commission vide Order dated 7 March 2020 is expected to be capitalized during FY 2024-25.
- h) An amount of Rs. 10.25 Crore for SAMAST is expected to be capitalized in 2024-25.

**6.3.3** SLDC submitted that the funding of Capital Expenditure is envisaged through both Loan and Grant. SLDC submitted that it has considered that SAMAST shall be funded through PSDF and Special Fund created by the Commission, which has been considered as Grant.

**6.3.4** The Scheme-wise Capitalisation and funding of the same proposed by SLDC for FY 2024-25 are as shown in the following Table:

**Table 42 : Capitalisation for FY 2024-25 and Funding (Rs. Crore)**

Particulars	Approved in MYT Order dt. 21.03.2022	SLDC Submission
Buildings		0.40
Civil works		0.40
Lines, Cable Networks etc.		0.02
Furniture & Fixtures	0.02	0.03
Office Equipment	0.05	0.05
IT Equipment		0.05
SAMAST		15.25
SCADA Upgradation	19.50	-
<b>Total Capitalisation</b>	<b>19.57</b>	<b>16.20</b>
<b>Funding of Capitalisation</b>		
Grant	19.50	15.25
Equity	-	-
Debt	0.07	0.95

**Commission's Analysis**

**6.3.5** The Commission has allowed the Capitalisation of Rs. 16.20 Crore as claimed by SLDC, as shown in the Table below. However, it is observed that there is a lot of delay in completion of the projects. SLDC should ensure that the projected Capitalisation is achieved.

**Table 43 : Capitalisation approved by the Commission for FY 2024-25 (Rs. Crore)**

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by the Commission
Land	-	-	-
Buildings		0.40	0.40
Civil works		0.40	0.40
Plant & Machinery (including SAMAST, SCADA Upgradation)	19.50	15.25	15.25
Lines, Cable Networks etc.		0.02	0.02
Furniture & Fixtures	0.02	0.03	0.03

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by the Commission
Office Equipment	0.05	0.05	0.05
IT Equipment		0.05	0.05
<b>Total Capitalisation</b>	<b>19.57</b>	<b>16.20</b>	<b>16.20</b>

**6.3.6** As regards the funding of the Capitalisation, the Commission is of the view that the Special Fund allowed to SLDC is not a Grant, but should be considered as 'Consumer Contribution' for proper accounting, though the treatment of Grants and Consumer Contribution is same, in so far as depreciation, interest and RoE are not allowed on assets funded through Grants as well as Consumer Contribution.

**6.3.7** Hence, the Commission has approved the funding of the Capitalisation of Rs. 16.20 Crore for FY 2024-25 through PSDF Grant of Rs. 10.25 Crore, Special Fund/Consumer Contribution of Rs. 5 Crore, and Debt of Rs.0.95 Crore, as shown in the Table below:

**Table 44 : Funding of Capitalisation approved by the Commission for FY 2024-25 (Rs. Crore)**

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by the Commission
Grant	19.50	15.25	10.25
Consumer Contribution (AERC Special Fund)	-	-	5.00
Equity	-	-	-
Debt	0.07	0.95	0.95
<b>Total Capitalisation</b>	<b>19.57</b>	<b>16.20</b>	<b>16.20</b>

**6.3.8** The treatment of the balance Funds available with SLDC after utilisation of Rs. 5 Crore for the SAMAST project is discussed subsequently in this Chapter.

## 6.4 Depreciation

- 6.4.1** SLDC submitted that depreciation has been computed as per MYT Regulations, 2021 for FY 2024-25. Depreciation has been calculated taking into consideration the opening balance of assets at the beginning of the year and the projected capitalization during the year. The Closing Gross Block of Fixed Assets for FY 2023-24 has been considered as the opening balance of assets for FY 2024-25. As specified in MYT Regulations, 2021, depreciation is calculated as per Straight Line Method (SLM) considering depreciation on opening Fixed Asset to the extent of 90% of the Asset Value. The Depreciation on assets created through Grant has been reduced before arriving at Net depreciation.
- 6.4.2** SLDC claimed the depreciation of Rs. 0.26 Crore for FY 2024-25 against approved depreciation of Rs. 0.06 Crore in MYT Order dated March 21, 2022.

### Commission's Analysis

- 6.4.3** For computation of depreciation, the Commission has considered the closing GFA for FY 2023-24 as approved in this Order, as the Opening GFA for FY 2024-25. The capitalisation approved for the year has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2021.
- 6.4.4** As per Regulation 33.2 of the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original cost of asset under different asset heads.
- 6.4.5** In view of the above, the Commission has approved depreciation for FY 2024-25 as per MYT Regulations, 2021, as given in the Tables below:

**Table 45 : Depreciation approved for FY 2024-25 (Rs. Crore)**

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-			-
2	Building	0.35	0.40	3.34%	0.01
3	Hydraulic	-	-	5.28%	-

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
4	Other Civil Works	0.64	0.40	3.34%	0.03
5	Plant & Machinery	4.83	15.25	5.28%	0.66
6	Lines & Cable Network	0.09	0.02	5.28%	0.01
7	Vehicles	-	-	9.50%	-
8	Furniture & Fixtures	0.23	0.03	6.33%	0.02
9	Office Equipment	0.79	0.05	6.33%	0.05
10	Computer & Accessories	0.05	0.05	15%	0.01
11	Grand Total	<b>6.96</b>	<b>16.20</b>		<b>0.77</b>
12	Less: Depreciation for Grants				0.50
13	<b>Net Depreciation</b>				<b>0.27</b>

#### 6.4.6 The Commission approves depreciation of Rs. 0.27 Crore for FY 2024-25.

### 6.5 Interest on Loan Capital

6.5.1 SLDC has considered the closing net normative loan for FY 2023-24 as per its submissions, as the opening net normative loan for FY 2024-25. SLDC submitted that the loan addition during FY 2024-25 has been considered as per the CAPEX funding plan. The normative repayment has been considered equal to the depreciation. The weighted average interest rate has been considered as 10.08% for FY 2024-25.

6.5.2 Accordingly, SLDC has projected the Interest and Finance Charges for FY 2024-25 as Rs. 0.19 Crore against Rs. 0.07 Crore approved in the MYT Order dated March 21, 2022.

#### Commission's Analysis

6.5.3 The Commission has considered the opening net normative loan for SLDC as on April 1, 2024 as Rs 1.87 Crore, based on the closing net normative loan approved in the APR for FY 2023-24. The addition of loan has been considered equal to debt portion of capitalized works as approved by the Commission in this Order. The loan repayment

has been considered equivalent to depreciation approved in this Order.

**6.5.4** As per MYT Regulation, 2021 weighted average of interest shall be computed based on actual outstanding loan as on April 1, 2024. The weighted average interest rate has been considered as 0.58%, same as actual taken for FY 2022-23 and FY 2023-24 for AEGCL.

**Table 46 : Approved Interest on Loan for FY 2024-25 (Rs. Crore)**

<b>Particulars</b>	<b>Approved in MYT Order. dt. 21.03.2022</b>	<b>SLDC Submission</b>	<b>Approved by the Commission</b>
Net Normative Opening Loan	0.68	1.52	1.87
Addition of normative loan during the year	0.07	0.95	0.95
Normative Repayment during the year	0.09	0.26	0.27
Net Normative Closing Loan	0.66	2.11	2.55
Interest Rate	10.08%	10.08%	0.58%
<b>Interest Expenses on Loan</b>	<b>0.07</b>	<b>0.19</b>	<b>0.01</b>

## **6.6 Return on Equity**

**6.6.1** The Commission had approved Return on Equity as NIL for FY 2024-25 in the MYT Order dated March 21, 2022. As against this, SLDC has claimed Return on Equity of Rs. 0.09 Crore for FY 2024-25.

### **Commission's Analysis**

**6.6.2** The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2021. The addition of equity due to Capitalisation approved in this Order has been considered as Nil, based on the funding pattern approved earlier. The allowable equity addition due to conversion of Grants to equity works out to be Nil, as shown in the Table below:

**Table 47: Conversion of Grant to Equity approved by the Commission for FY 2024-25  
(Rs. Crore)**

Particulars	Amount
Opening GFA	6.96
Average Grant towards GFA	7.30
If conversion of Rs. 3.91 Crore of grant considered	2.18
Net Grant towards GFA	5.12
Net assets to be funded	1.84
Maximum Equity that can be considered	0.55
Equity already considered	1.73
<b>Equity that can be additionally allowed</b>	<b>0.00</b>

**6.6.3** Therefore, the approved Return on Equity at 15.50% is shown in the Table below:

**Table 48: Return on Equity approved by the Commission for FY 2024-25 (Rs. Crore)**

Sl. No.	Particulars	Approved in order dtd. 29.03.2023	SLDC Submission	Approved after true-up
1	Equity (Opening Balance)	-	0.59	1.73
2	Net additions during the year	-	-	-
3	Less: Reduction during the year	-	-	-
<b>4</b>	<b>Equity (Closing Balance)</b>	-	<b>0.59</b>	<b>1.73</b>
<b>5</b>	<b>Average Equity</b>	-	<b>0.59</b>	<b>1.73</b>
6	Rate of Return on Equity	-	15.50%	15.50%
<b>7</b>	<b>Return on Equity</b>	-	<b>0.09</b>	<b>0.27</b>

**The Commission approves the Return on Equity as Rs. 0.27 Crore for FY 2024-25.**

## **6.7 Interest on Working Capital**

**6.7.1** The Commission approved IoWC of Rs. 0.30 Crore for FY 2024-25 in the MYT Order dated March 21, 2022. As against this, SLDC has claimed IoWC of Rs. 0.67 Crore for FY 2024-25.

### **Commission's Analysis**

**6.7.2** The Commission has computed normative IoWC in accordance with the MYT

Regulations, 2021. The rate of Interest has been considered equal to SBI 1-year MCLR prevalent during last 6 months plus 300 basis points, i.e., 11.53%. IoWC approved by the Commission for FY 2024-25 is shown in the following Table:

**Table 49 : IoWC approved by the Commission for FY 2024-25 (Rs. Crore)**

Particulars	Approved in MYT Order. dt. 21.03.2022	SLDC Submission	Approved by Commission
O&M expenses for 1 month	0.59	1.18	1.16
Maintenance spares @ 15% of O&M	1.06	2.13	2.10
Receivables for two months	1.31	2.54	2.72
Total Working Capital	2.95	5.85	5.98
Rate of Interest	10.00%	11.53%	11.53%
<b>Interest on Working Capital</b>	<b>0.30</b>	<b>0.67</b>	<b>0.69</b>

## 6.8 Non-Tariff Income

**6.8.1** The Commission approved NTI of Rs. 0.12 Crore for FY 2024-25 in the MYT Order dated March 21, 2022. As against this, SLDC has submitted an NTI of Rs. 0.14 Crore for FY 2024-25. The projected income consists of Interest from Banks, rental from contractors/others, Application fees and other charges from Open Access Consumers.

### Commission's Analysis

**6.8.2** The Commission has approved the NTI as Rs. 0.18 Crore for FY 2024-25, by considering a 5% escalation on the NTI estimated for FY 2023-24. The actual NTI shall be considered at time of truing up, subject to prudence check.

**Table 50 : NTI approved by the Commission for FY 2024-25 (Rs. Crore)**

Sl. No.	Particulars	Approved in Tariff Order dt. 21.03.2022	SLDC Submission	Approved after APR
1	Interest from Banks		0.01	0.01
2	Rental from contractors/others		0.01	0.02
3	Application fees and other charges from Open Access consumers		0.12	0.15
	<b>Total</b>	<b>0.12</b>	<b>0.14</b>	<b>0.18</b>



## **6.9 Back Up SLDC Building**

- 6.9.1** SLDC has submitted that Grid India (erstwhile POSOCO) in various Fora has mentioned the importance of having a backup SLDC from Disaster Management point of view. Grid India mentioned that the progress made by SLDCs in the other regions of the country is more than the progress made by SLDCs in the ER under Unified Load Despatch and Communication (ULDC) schemes for establishment and upgradation of SCADA-EMS projects at Regional as well as State levels. Hence, to bring NER SLDCs at par with other SLDCs of other regions, all infrastructure facilities including disaster management set ups in the form of Backup SLDCs are required. Moreover, at present, issues like cyber-attacks, incidents, riots, cyclones, floods, earthquakes, etc. are very common in the country, which makes it vital for having a Disaster Management Setup (Backup SLDC) for main SLDC that is performing mission critical operations of national importance. NCIIPC has already declared SLDC, Kahilipara as “National Critical Information Infrastructure Protection Centre”.
- 6.9.2** Setting up of Backup SLDC is under planning stage and the location has already been identified. NLDC has already committed the requisite funds for Software and Hardware expenditure for Backup SLDC. However, the estimated amount towards the civil infrastructure needs to be met by the Utility.
- 6.9.3** Hence, SLDC has submitted that the total amount considered under the same has been segregated in upcoming three (3) FYs and requested the Commission to approve Rs. 3 Crore for FY 2024-25 as a separate provision in the revised ARR for FY 2024-25.

### **Commission’s Analysis**

- 6.9.4** In response to the Commissions query regarding the funding of the Back-up SLDC building, SLDC submitted that as per the discussion held in 25<sup>th</sup> TCC & RPC meeting of NER dated 8<sup>th</sup> December 2023, PSDF shall again be requested to sanction the estimated expenditure against the civil infrastructure of Backup SLDC of all NER States including Assam. The building expenditure part for Backup SLDC was not accepted earlier through funding from PSDF. As there is no certainty that the fund will be forthcoming under PSDF, SLDC has requested the Commission to allow the

requisite amount for Backup SLDC.

- 6.9.5** Perusal of the Minutes of “25<sup>th</sup> TCC Meeting” shows that TCC has stated that as building expenditure for Backup SLDC does not get covered under PSDF guidelines, NERPC may explore funding from any other kind of Central Government scheme towards funding for building and other associated infrastructure so that Backup SLDC of Tripura can be established within time, and the same scheme may be collectively implemented for all NER States.
- 6.9.6** In view of the above, the Commission is of the view that the proposed amount of Rs. 3 Crore sought by SLDC for Backup SLDC cannot be considered as a separate entry in the ARR for FY 2024-25. Moreover, this is a capital expense, and cannot be recovered directly from the ARR, even if the funding for the same is not forthcoming from other sources. SLDC should explore all possible sources of funds for setting up the Backup SLDC building and prepare a Proper Plan for setting up the Back-up SLDC and propose such Capital expenditure to the Commission at the appropriate time.
- 6.9.7** Further, in order to facilitate creation of a proper architectural plan for the Back-up SLDC, the Commission has allowed an additional amount of Rs. 15 lakh in addition to normative A&G expenses. This amount shall be maintained separately and used by SLDC exclusively to appoint an appropriate architect for preparation of the architectural plan for the Back-up SLDC Building. SLDC has to provide details of all expenses made against this additional amount along with subsequent Petitions. No sharing of gains/losses on account of such additional amount allowed to SLDC shall be undertaken at the time of truing up for FY 2024-25.

## **6.10 Status of SAMAST Fund**

- 6.10.1** The Commission had allowed a fund of Rs. 5 Crore to SLDC in the ARR of FY 2020-21 over and above its ARR requirement to meet its funding requirements for metering of all the interconnection points for segment-wise proper energy accounting under SAMAST Project. SLDC has not incurred/proposed any investment against this fund in FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24. In the APR for FY 2023-24, the Commission has computed the holding cost on the Fund available with SLDC till FY 2023-24.
- 6.10.2** As discussed earlier, the Commission has accepted SLDC’s proposal to utilise Rs. 5

Crore out of the Special Fund against the SAMAST project. Hence, the Commission has computed the nominal interest on the balance amount of Fund and has added the same to the balance SAMAST Fund at the end of FY 2024-25 to be utilised by SLDC as and when required.

**Table 51 : Status of SAMAST fund at the end of FY 2024-25 (Rs. Crore)**

Particulars	2023-24	2024-25
Opening amount of Fund	6.40	7.14
Addition during the year	-	-
Utilisation during the year	-	5.00
Closing amount of fund	6.40	2.14
Working capital interest rate	11.53%	11.53%
Interest on SAMAST Fund parked with SLDC	0.74	0.53
<b>Total amount of Fund available with SLDC for utilisation at the end of FY 2024-25</b>	<b>7.14</b>	<b>2.67</b>

SLDC is directed to expeditiously utilise the remaining amount against the Special Fund.

## 6.11 Summary of ARR for FY 2024-25

6.11.1 The summary of ARR as submitted by SLDC and as approved by the Commission for FY 2024-25 is given in the Table below:

**Table 52 : ARR of SLDC for FY 2024-25 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	MYT Order. dtd. 21.03.2022	Proposed by SLDC	Approved by the Commission
1	O&M Expenses	7.04	14.17	13.98
1.1	<i>Employee Cost</i>	6.01	9.21	9.14
1.2	<i>R&amp;M Expenses</i>	0.65	3.92	3.65
1.3	<i>A&amp;G Expenses</i>	0.38	1.04	1.19
2	Depreciation	0.06	0.26	0.27
3	Interest & Finance Charges	0.07	0.19	0.01
4	Interest on Working Capital	0.30	0.67	0.69

Sl. No.	Particulars	MYT Order. dtd. 21.03.2022	Proposed by SLDC	Approved by the Commission
5	Return on Equity	-	0.09	0.27
6	Less: Non-Tariff Income/ Other Income	0.12	0.14	0.18
7	<b>Aggregate Revenue Requirement</b>	<b>7.35</b>	<b>15.25</b>	<b>15.04</b>
8	<b>Revenue with Approved Tariff</b>	<b>7.35</b>	<b>7.35</b>	<b>7.35</b>
9	<b>Revenue Gap /(Surplus)</b>	<b>-</b>	<b>7.90</b>	<b>7.69</b>
10	<b>Back Up SLDC Building</b>	<b>-</b>	<b>3.00</b>	<b>-</b>

**6.11.2 The Commission approves the ARR of Rs. 15.04 Crore for FY 2024-25 as against Rs. 15.25 Crore projected by SLDC.**

## 7 Annual SLDC Charges for FY 2024-25

### 7.1 Cumulative Revenue Gap/(Surplus) and Net ARR for recovery

7.1.1 SLDC submitted the cumulative Revenue Gap/(Surplus) after Truing up of FY 2022-23 as shown in the Table below:

**Table 53 : Revenue Gap/(Surplus) for FY 2022-23 with carrying cost (Rs. Crore)**

Particulars	Amount
Revenue Gap/(Surplus) for FY 2022-23	1.34
Carrying/(Holding) cost on Revenue Gap/(Surplus) for FY 2022-23	0.30
<b>Total Revenue Gap/(Surplus)</b>	<b>1.64</b>

### Commission's Analysis

7.1.2 For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2022-23 as approved in this Order, along with Carrying/(Holding)Cost. No Revenue Gap/(Surplus) arising out of APR of FY 2023-24, is proposed to be recovered through tariff in FY 2024-25, in accordance with the MYT Regulations, 2021.

7.1.3 The Revenue Gap/(Surplus) after true-up for FY 2022-23 approved for recovery in FY 2024-25 is shown in the Table below:

**Table 54 : Revenue Gap/(Surplus) for FY 2022-23 approved for recovery/adjustment in FY 2024-25 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order	SLDC	Approved after truing up
1	Net ARR	6.50	7.84	7.54
2	Revenue from SLDC Charges	6.50	6.50	6.50
3	Gap/(Surplus)	-	1.34	1.04
4	Carrying/(Holding) cost	-	<b>0.30</b>	<b>0.24</b>

7.1.4 The Commission has computed the carrying/ (Holding) cost as shown in the following Table:

**Table 55 : Carrying/ (Holding) Cost on Revenue Gap/(Surplus) for FY 2022-23 approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening Balance	-	1.04	1.04
2	Recovery /(Addition) during year	(1.04)	-	1.04
3	Closing balance	1.04	1.04	-
4	Rate of Interest (%)	10.80%	11.53%	11.53%
5	Carrying /(holding) Cost	0.06	0.12	0.06
	<b>Total Gap/(Surplus) including Carrying/(Holding) Cost</b>	<b>1.27</b>		

**7.1.5** The total Revenue Gap including Carrying Cost works out to Rs 1.27 Crore.

**7.1.6** The Commission approves the cumulative Revenue Gap of SLDC after true-up for FY 2022-23 as Rs 1.27 Crore. This Gap is to be passed through to APDCL in the remaining nine (9) months of FY 2024-25 from July 2024 to March 2025 in equal instalments of Rs 0.141 Crore in FY 2024-25 as additional charge in the monthly bills.

**7.2 SLDC tariff for FY 2024-25**

**7.2.1** ARR of SLDC approved for FY 2024-25 is Rs. 15.04 Crore, which is allocated to APDCL as single user.

**7.2.2** However, the SLDC charges to be charged for any other Long-term/Medium-term user are as given below:

**Table 56 : SLDC Charges approved by the Commission for FY 2024-25**

Sl. No.	Particulars	UoM	Amount
1	Net ARR – SLDC	Rs. Crore	15.04
2	Maximum Contracted Capacity	MW	2654.00
3	SLDC Charges for LTOA/MTOA Consumers	Rs./MW/day	155.23

**Approved SLDC charges to be recovered from APDCL for FY 2024-25 is Rs. 15.04 Crore.**

**The approved SLDC charges for Long-term/Medium-term Users of Transmission System for FY 2024-25 are Rs.155.23 per MW per day.**

**7.2.3** The annual SLDC charges as determined by the Commission shall be recovered from APDCL. The SLDC shall furnish necessary monthly bills at the rate of one twelfth of the annual charges as approved by the Commission, to APDCL for each billing month within seven days after the last day of the preceding month. APDCL shall make payment to the SLDC, within one month of the date of receipt of the bill.

**7.2.4** The Short-term open access customers using the intra-State transmission system shall pay only such scheduling charges to the SLDC as approved by the Commission in accordance with AERC (Terms and Conditions for Open Access) Regulations 2018. This revenue shall be adjusted against the ARR.

### **7.3 Applicability of Tariff**

**7.3.1** The approved Transmission tariff and SLDC charges for FY 2024-25 shall be effective from April 1, 2024 and shall continue until replaced by and subsequent Order of the Commission. The under/over recovery in monthly SLDC Charges for the months of April, May, and June 2024 on account of levy of monthly SLDC Charges approved in the Tariff Order for FY 2023-24, shall be billed/adjusted equally in the bills of subsequent months in FY 2024-25 (July 2024 to March 2025) raised to APDCL.

**Sd/-**  
**(A. Bhattacharya)**  
**Member, AERC**

**Sd/-**  
**(S.N. Kalita)**  
**Member, AERC**

**Sd/-**  
**(K.S. Krishna)**  
**Chairperson, AERC**

## 8 Directives

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The Commission has issued certain directives to SLDC in the past Orders, with an objective of achieving operational efficiency and streamlining the flow of information, which would be beneficial to the sector and the Petitioner, both in the short-term and long-term.

As regards the directives issued by the Commission in the Tariff Order dated March 29, 2023, SLDC has submitted the report to the Commission on compliance. The Commission has reviewed the compliance of directives submitted by SLDC, and the status is as follows:

### **Directive 1: Capacity Building of SLDC**

The Commission directs SLDC to submit the Training Calendar to the Commission for FY 2022-23 within 30<sup>th</sup> April, 2022.

#### **Status:**

SLDC has submitted the training calendar for FY 2022-23 to the Commission on 16.05.2023.

#### **Commission's views**

Noted.

### **Directive 2: SLDC Website updating**

Commission directs SLDC to upload the details of Open Access consumers, revenue from Open Access, procedure for seeking Open Access, available TTC and ATC, outage management and other reports like transmission availability, Power position, Energy Report, etc., on their website from time to time.

#### **Status:**

SLDC submitted that it has already hosted a new website of SLDC from 30<sup>th</sup> June 2023 under SAMAST project. The information related to the details of Open Access Consumers, Procedure for seeking open access, Revenue from OA, TTC & ATC of the transmission network is available in the new website. Reports of Transmission system availability and power position are updated in the present website. Yearly Energy Report update will be available in the website for the respective FY. Defect liabilities period of SAMAST module is going on from 1<sup>st</sup> July 2023.

#### **Commission's views**

Noted.



### **Directive 3: Status Report of Individual Projects**

The Commission directs SLDC to provide status reports on half-yearly basis on the database of individual projects with following details:

- (i) Details/Scope of Project including activities, Tender Results etc.;
- (ii) Start date of Project;
- (iii) Scheduled completion date of Project;
- (iv) Funding Plan;
- (v) Cost-Benefit-Analysis of the Project (if the Asset is expected to increase accuracy of the energy accounting, Actual increment in accuracy)
- (vi) Present Status of Project, indicating physical progress in percentage terms and in monetary terms;
- (vii) Status of Capitalisation in a compiled manner, i.e., individual project-wise and Scheme-wise Capitalisation, along with the comparison of project-wise and Scheme-wise approved capital cost;
- (viii) Whether the intended benefits of the Project have been achieved, etc.

#### **Status:**

SLDC submitted that that it is maintaining the database on the individual projects and same has been submitted in the SLDC Petition for True up of FY 2022-23.

#### **Commission's views**

Noted.

### **Directive 4: Quarterly Submission of Status Report on Compliance of Directives**

SLDC is directed to submit the status of compliance of above Directives to the Commission at the end of each quarter. The Commission will review the status in the month following the end of the quarter.

#### **Status:**

SLDC has been submitting the status of compliance of Directives at the end of each quarter.

#### **Commission's views**

Noted.

## **New Directives**

### **Directive 1: Manpower Planning to ensure stability and continuity in operations**

It is necessary to ensure that the employees posted at SLDC continue to work in SLDC for a reasonable period of time, so that the capacity building efforts bear fruit. Hence, SLDC should ensure that employees posted at SLDC get sufficient training and serve in SLDC for a reasonable period of time. SLDC may plan its manpower requirement in such a manner that its employees are not frequently shifted in and out of SLDC. The manpower planning is required to ensure that the tenure of the employees in SLDC is not curtailed frequently because of transfers and promotions requiring the employee to move out of SLDC. SLDC is directed to submit half-yearly reports on this aspect every year (by 30<sup>th</sup> September and 31<sup>st</sup> March).

### **Directive 2: Utilisation of Balance Amount against Special Fund**

SLDC should expeditiously utilise the remaining amount against the Special Fund, after utilizing Rs. 5 Crore against the SAMAST project. The Status of the expenditure along with timelines for the same should be regularly reported to the Commission. SLDC is directed to submit half-yearly reports on this aspect every year (by 30<sup>th</sup> September and 31<sup>st</sup> March).

### **Directive 3: Preparation of Proper Plan for back-up SLDC Building**

SLDC should explore all possible sources of funds for setting up the Backup SLDC building and prepare a Proper Plan for setting up the Back-up SLDC and propose such Capital expenditure to the Commission at the appropriate time.

Further, in order to facilitate creation of a proper architectural plan for the Back-up SLDC, the Commission has allowed an additional amount of Rs. 15 lakh, in addition to normative A&G expenses. This amount shall be maintained separately and used by SLDC exclusively to appoint an appropriate architect for preparation of the architectural plan for the Back-up SLDC Building. SLDC has to provide details of all expenses made against this additional amount along with subsequent Petitions.

**Sd/-**  
**(A. Bhattacharya)**  
**Member, AERC**

**Sd/-**  
**(S.N. Kalita)**  
**Member, AERC**

**Sd/-**  
**(K.S. Krishna)**  
**Chairperson, AERC**

## 9 Annexures-1

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### **Minutes of the 33<sup>rd</sup> Meeting of the State Advisory Committee**

**Venue:** AERC Conference Hall.

**Day/Dated:** Wednesday, 10<sup>th</sup> January 2024

**List of members/special invitees: At Annexure-I (Enclosed)**

The 33<sup>rd</sup> Meeting of the State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Kumar Sanjay Krishna, IAS, (Retd.).

At the onset, Hon'ble Chairperson, AERC welcomed all members and invitees. In the welcome address, the Hon'ble Chairperson, AERC highlighted that the fuel and power purchase cost accounts for more than 90% of the Aggregate Revenue Requirement (ARR) of APDCL. Therefore, this cost needs to be contained in order to bring down the power tariff. More than 70% of the installed generating capacity of APGCL is natural gas based. In the tariff Order for this ongoing year i.e. FY 2023-24, the gas price was fixed as US \$ 2.90 /MMBTU keeping in mind the declining trend of international gas prices during January- March, 2023. However, gas price was fixed at US \$6.5 / MMBTU since 8th April, 2023 even for the gas produced from ONGC/OIL fields. With increase in gas price, the generation cost of APGCL and the power purchase cost of APDCL has increased. Although, most of the factors affecting power purchase cost is uncontrollable, still the Company must focus on reducing the cost to the extent possible.

Hon'ble Chairperson, AERC also emphasized on the matter that in the recent tariff petitions, APDCL merged the ongoing FPPPA and have requested the Commission not to increase the tariff any further. However, the Company has shown a deficit of over Rs 1400 Crore in the true up which they have requested the Commission to allow along with carrying cost which amounts to Rs. 1766 Crore. Shri Krishna informed that APDCL has requested that this amount may be allowed to be recovered through a suitable mechanism without creating any regulatory asset.

Concluding his address, the Hon'ble Chairperson called upon the SAC members to actively participate and to offer their suggestions on the adjustment of the true -up gap of Rs. 1766 Crore.

The important points raised by the members during the discussions that followed are briefly recorded below.

**Brief presentation on Action Taken Report of AEGCL, APGCL and APDCL**

A brief presentation by Mr. Jayjeet Bezbaruah, Deputy Director (GEN PPA, P&P) on action taken report of APDCL and APGCL, which was noted by the members.

**Agenda Item No 2 & 3: Brief presentation by APDCL on the Power position of the State by MD, APDCL and Discussions**

Shri Rakesh Kumar, MD, APDCL apprised the SAC on the power scenario of the state. MD, APDCL informed that since reform the peak demand has reached 2540 MW, maximum demand met is 2413 (in the month of September, 2023) and average daily consumption is 36.95 MU. MD, APDCL also informed the SAC on the Power Purchase Planning of APDCL which includes Long Term Planning through Power Purchase Agreements, Day Ahead Planning, and Real Time Balancing through Power Exchange. Shri Kumar further informed the SAC of the present steps taken by APDCL to meet the demand, which include several short, medium and long duration contracts in MoP's DEEP Portal as well as in IEX. The members were also informed regarding future tie ups with upcoming generators such as PTC (Nikacchu, Bhutan), NLC (Ghatampur, UP), APGCL (Lower Kopili), NHPC(Suwansiri), SECI, NTPC (Talcher) and APDCL (Solar). In matter of RPO Compliance, MD, APDCL stated that there has been a deficit in RPO compliance especially in terms of Wind RPO due to non-availability of wind power in the region.

SAC Members mentioned that a disparity has been observed in terms of Energy sales and purchase from approved (as seen from the True-up of 2022-23).

Further, among various sources for power purchase, the variation in percentage price hike is diverse with significant hikes for APGCL, AGBPP, etc. whereas reduction for OTPC. Further, even among various Coal-based or Hydel sources, the semblance is not found in the %age price hikes. Hence, SAC members recommended that the break up and analysis of Energy cost may be done by APDCL. Further, it is seen that optimum utilization of the available generation capacity has not been done for which AI based technological solutions may be adopted. SAC Members further observed that power has been purchased from the exchange at high cost during peak, which has been exported at lower cost, resulting in losses. Thus, SAC members recommended that proper Power Purchase Planning and practical Power procurement should be done, which necessitates the monitoring with all the 3 companies, viz., APDCL, AEGCL, and APGCL.

Further, no semblance between unit prices of fuel and price hikes has also not been observed for the generating plants under APGCL, which may be due to the impact of heat rate in the normative calculation. Hence, for maximum clarity, the SAC members recommended that the actual values should also be incorporated in the petition along with normative values so that a comparative statement can be obtained for the actual values achieved by the utility against the values approved by the Commission. SAC Members also recommended that the same may be incorporated in the petitions of all the utilities. The deviations in achieving targets may be analyzed using advanced technological tools such as AI, specialized software available.

SAC Members also recommended that since a major portion of power procurement is from natural gas-based generators, to reduce the impact of yearly hikes in gas prices, diversion of portfolio for natural gas may be explored. Also, APDCL may carry out a comparative study of their AT&C losses against other distribution companies that have minimal losses. MD, APDCL clarified that a direct comparison of APDCL with other utilities like TATA Power, Adani Power, etc. cannot be drawn as the commercial and industrial load is much lower in Assam resulting in a low HT: LT consumer mix ratio. Hence, the AT&C losses are much higher. Shri S. Sharma, SAC Member mentioned that increasing the LT connection upper limit from 25kVA to 30kVA has further added to the ratio being even higher and APDCL may take it up with the Hon'ble Commission. SAC members also recommended that a long-term (preferably five years) loss reduction plan be chalked out and presented to the SAC.

SAC Members further mentioned that the wind RPO trajectory is quite high which is not practical for Assam and requested AERC to consider the possibility of compensating the wind RPO with other RE sources. The Hon'ble Member (Technical), AERC clarified the RPO is in line with the MoP Rules.

#### **Agenda Item No 4 & 5: Presentations on the Tariff Petitions by the utilities & Discussions**

##### **Presentation by APDCL**

MD, APDCL informed that in True Up for FY 2022-23, the net revenue gap is Rs. 1904.17 Cr which has been brought about due to an exorbitant hike in Natural Gas Price (Effective price of \$ 7.34/MMBTU against earlier approved price of \$ 2.90/MMBTU) and the consistently high price of power in the market resulting in a significant increase in power purchase cost for APDCL. MD, APDCL mentioned that 24% of the total power procured by APDCL is from gas-based stations, which explains the impact of the rise in gas prices on the power purchase cost for APDCL. The distribution loss is 16.22% against the approved 15%. Also, APDCL received a government subsidy of around Rs 346.40 Cr.

MD, APDCL further informed that in APR for FY 2023-24, the distribution loss of 15.80% against the approved loss of 14.75%. There is also a massive increase in Power cost of Rs 2520.31 Cr mainly due to persistently high natural gas prices and high market prices. MD, APDCL also mentioned that the compliance of RPO obligations also adds up to the increase in power purchase cost. MD, APDCL informed that the net gap in APR is around Rs 1170.19 Cr.

MD, APDCL also informed that in ARR the cumulative revenue requirement for FY 2023-24 is Rs 13,191.66 Cr and the ACoS to recover the entire cumulative amount shall be Rs. 12.35 per kWh for FY 2024-25. MD, APDCL submitted that the effective ABR prevailing at present over the approved level of ACoS is Rs. 9.31 per unit (without Government subsidy) and recovery of the entire amount will lead to increase of existing retail tariff by 33% on the prevailing rate on average. Hence, MD, APDCL proposed to continue the prevailing tariff structure (with applicable FPPPA) and requested the commission to allow a suitable mechanism to recover the dues pertaining to true up petition with carrying cost without creating any regulatory assets. SAC Members mentioned that for reduction of losses voltage level should be ideally above 33kV. The members enquired whether any study has been carried out in co-ordination with AEGCL for reducing technical shortcomings and optimized use of Substations and recommended that advanced technological tools may be used for the purpose.

SAC Members also mentioned that a huge impact has been observed in the tariff in terms of RoE, where the percentage claimed is 14% in case of APDCL and 15.5% in case of APGCL and AEGCL which is much higher than the Gol benchmark of 10%. SAC Members requested the Commission to look into the matter. Also, a significant impact in terms of RoE has been observed due to conversion of grants to equity for APDCL. Same has been observed in case of AEGCL and APGCL as well. SAC Members noted that the burden of this conversion is being passed on to the consumers which defies the very purpose why funds were earlier given as grants to reduce cost and provide benefit to the consumers by way of lower tariff. Hence, SAC members suggested that the matter may be taken up with the State Government. The Hon'ble Chairperson assured that the matter shall be taken up with the Government and requested the Additional Secretary, DoP, GoA to make a note of the same.

SAC Members further enquired whether there is a shortage of manpower in APDCL at present, especially lineman, meter readers, etc. and the same may be taken up with the GoA. MD, APDCL clarified that APDCL is currently operational at optimum manpower level including outsourced manpower. New recruitments are being done for the new substations coming up under various schemes. SAC Members recommended that pragmatic manpower assessment

may be done and training programs, etc. should be implemented right from the circle level. The Hon'ble Member (Technical), AERC stated that the implementation of ERP has resulted in a gradual reduction in manpower cost, which is in line with the directive of the Commission, and the same was confirmed by MD, APDCL.

SAC Members enquired about the parameter "Revenue with Approved tariff including targeted subsidy" in the petition of APDCL. APDCL clarified that this revenue is including the levy of FPPPA which is a major component. SAC Members also enquired about the parameter "Other Income" in the petition of APDCL. MD, APDCL clarified that it pertains to the past bills/receivables by APDCL, which are gradually being collected through the Smart Prepaid Meters and also on account of seasonal export at improved market rates. SAC Members also enquired whether the Smart Prepaid Meters can be used for Rooftop Solar Plants to which MD, APDCL confirmed in the affirmative.

SAC Members also requested not to increase FPPPA significantly so as to provide reasonable tariff in order to encourage more industrial establishments in Assam and improve the HT/LT ratio.

SAC Members enquired about the proposed timeline from the upcoming Neyveli generating plant which is supposed to supply power at around Rs. 4.52/unit. MD, APDCL informed that the 1<sup>st</sup> unit is expected around March, 2024 and the 2<sup>nd</sup> unit is expected after 6 months. SAC Members further enquired if any steps had been taken for requesting CERC/Gol for reduction in the cost of power from BTPS as compared to other coal-based plants. APDCL informed that proposal was placed under NLCPR funding, but the same was not approved by Ministry of Finance, Gol. However, alternate arrangement with switchover of coal block, spread out of depreciation, etc. has resulted in reduction of cost of power from the station.

SAC Members further recommended APDCL to prepare and present the roadmap of the next 5 years and analysis of consumer service rating, billing efficiency, consumer satisfaction, performance-based assessment of APDCL manpower etc. in the next SAC meeting. The Electricity Ombudsman enquired about the reasons for huge numbers of billing arrears. MD, APDCL clarified that the issues of billing arrears are being taken care of with smart meters and proper monitoring. MD, APDCL informed that APDCL ranks 4th on DISCOM performance and as per consumer service rating APDCL has improved its rating from category C last year to category B+ this year. With the installation of smart meters, AT&C losses have reduced in such areas to a minimum of ~7%, billing efficiency is almost 92% and collection efficiency is 100%. MD, APDCL further informed that a detailed analysis shall be presented in the next SAC meeting.

### **Presentation by AEGCL**

A PowerPoint presentation was made by Shri Debajyoti Das, MD, AEGCL on the salient features of Tariff petition submitted by AEGCL and SLDC. Important points of the discussion are noted below

In True-up for FY 2022-23, AEGCL has shown ARR of Rs.604.59 Crore and a gap of Rs. 144.14 Crore. For SLDC, in True-Up, ARR of Rs. 7.84 Crore and gap of Rs. 1.34 Crore is shown.

In APR for FY 2023-24, AEGCL has shown ARR of Rs.662.91 Crore and a marginal gap of Rs. 4.03 Crore. For SLDC, in APR for FY 2023-24, ARR of Rs. 10.39 Crore and gap of Rs. 0.29 Crore is shown.

In ARR for FY 2024-25, AEGCL has shown ARR of Rs.719.11 Crore and a gap of Rs 190.94 Crore. SLDC has shown ARR of Rs. 15.25 Crore with a gap of Rs. 7.90 Crore. SLDC has also requested for a separate revenue item for Back-up SLDC of Rs. 3.00 Crore.

AEGCL has submitted a transmission loss of 3.31% for True-up against the approved loss of 3.27%. AEGCL has projected a loss of 3.28% in ARR for FY 2024-25. AEGCL has a projected transmission charge of Rs.0.71 Rs./kwh and SLDC charge of Rs. 174.27/MW/Day for FY 2024-25.

SAC Members observed that as stated in earlier meetings, a load centre was proposed in Rangia by installing 200 MVA transformers at Rangia GSS, AEGCL. SAC members enquired whether a proper load flow study has been done in the matter, what is the current status of action taken by AEGCL and whether any co-ordination meeting has been conducted with APDCL for planning evacuation of power. MD, AEGCL informed the SAC that the LOA has already been issued for procurement of one no. of 200 MVA transformer at Rangia GSS and the same is expected to arrive at site around April, 2024. Shri Das also stated the load flow study has already been carried out. MD, AEGCL further stated that though several discussions have taken place at field level with APDCL officials, a co-ordination meeting for the evacuation plan has not yet been done. SAC Members suggested that regular co-ordination meetings may be convened between AEGCL, APDCL and APGCL for better functioning of all the three utilities.

MD, AEGCL also informed with the load flow study software PSSE is currently in use in AEGCL which enables carrying out the load flow studies. The SAC members enquired whether study has been carried out for the new proposed 400kV Substation coming up in Rangia. Hon'ble Member (Technical), AERC clarified that proper load flow studies for all upcoming projects have been carried out which have been vetted by CEA as well as GoI, only after which



approval as well as funding for the projects have been received. Hon'ble Member also directed AEGCL to develop a strong commercial team for proper studies and adequate planning. Hon'ble Member also raised concern regarding the PGCIL feeder of 500m evacuating supply from NTPC, Bongaigaon to AEGCL, for which huge amount of transmission charges are being incurred. The matter has come to light in several earlier instances and recommended early action on part of AEGCL to address the issue.

SAC Members further highlighted that the Transmission Loss is still on the higher side and efforts should be made with proper analysis to bring down the loss and resolve lower voltage issues with measures such as parallel operation of transformers, operationalization of Capacitor Banks, etc. SAC Members suggested that the action plan for addressing loss minimization and resolution of lower voltage issues at 33kV level may be presented by AEGCL. SAC Members also recommended to carry out analysis of actual against the approved in addition to the normative, as stated earlier. SAC Members also pointed out that ERS (Emergency Restoration System) should be established, however, the same was not procured by AEGCL in the year 2022-23 even after approval of the Commission. It was suggested that efficient manpower planning needs to be carried out for AEGCL also.

Further, SAC Members enquired whether the BST (Bulk Supply Tariff) is sufficient to pay the pensioners. AEGCL clarified that there remains a deficit which is provisioned by the GoA in the annual budget for AEGCL. SAC Members further recommended that AEGCL should show proper utilization of the pension corpus fund (if created), its utilization and how it plans to mitigate deficits in the next SAC meeting.

### **Presentation by APGCL**

A Power Point Presentation by Shri. Bibhu Bhuyan, MD, APGCL on approval of True up for FY 2022-23, Revised Capex Plan for FY 2023-24 to FY 2024-25, Petition for Annual Performance Review for FY 2023-24 and Revised ARR for FY 2024-25.

MD, APGCL brought to notice of SAC that APGCL has been rated in A++ category against the earlier A rating. Shri Bhuyan reiterated that the generating plants of APGCL are mostly gas based and due to the exorbitant hike in natural gas prices the cost of power in each generating station of APGCL increased significantly and this has an impact in consumer retail Tariff. MD, APGCL also appraised the Committee regarding a proposal for a Pump Storage Hydro Plant. He further stated that the initial study has been taken up and 3 nos. of sites have been identified in Karbi Anglong, of which one site shall be finalized after completion of the studies and in-principle approval has been obtained from the State Government. Shri Bhuyan

also mentioned that GT unit 3 (15MW) of NTPS is proposed to be operated for the purpose of Merchant Sale of Power in FY 2024-25.

In the True Up for the FY 2022-23, APDCL has shown a Net Revenue of Rs. 1385.55 Cr and actual revenue gap of Rs. 176.94 Cr. The Gross generation is 2156.79 MU. The presentation also depicted the rising trend in gas price which has increased almost 380% from September, 2021 to September, 2023.

During the presentation, SAC Members expressed concern that in the case of Auxiliary consumption in the True Up especially for LTPS a significant rise has been observed against the approved figure. SAC Members requested APGCL to carry out an analysis in this matter. MD, APGCL clarified that analysis has been carried out and it has been observed that the scope of reduction of the auxiliary consumption is low as the gas pressure itself is very low. The supply from AGCL has not improved even after implanting gas booster facility. SAC Members requested the Commission to look into the matter.

SAC Members further expressed concern that a disparity in fuel price hikes has been observed throughout the various generating plants of APGCL in several parameters. To this, the MD, APGCL clarified that this is observed mainly due to the different sources of fuel supply. SAC Members further stated that the petition depicts only the normative values against the approved values for the True Up. However, the SAC members reiterated that the actual values should also be incorporated in the petition along with the normative values. Further, the matter for conversion of grant to equity which has resulted in increase in equity in several plants of APGCL, should be taken up with the State Government.

SAC Members also recommended that in the context of high gas price, the state government may be approached for considering a reduction in the VAT to 5%, which is currently being charged at 14.5%. The reduction in 9.5%, if approved, will result in significant reduction in the gas price and hence on the overall tariff. The Hon'ble Chairperson, AERC recommended that the Additional Secretary, DoP, Assam may take up the matter with the State Government.

SAC Members also enquired about the proposed timeline for the revival of LTPS. MD, APGCL informed the SAC that work is in progress and the plant is likely to start generating power from the mid of 2025.

The Hon'ble Chairperson thanked the members for their participation and insights in the meeting and directed the utilities, APDCL, AEGCL and APGCL to make presentations in the next SAC meeting on the points requested by the members during the course of the discussions. Hon'ble Chairperson once again requested the SAC members to offer their ideas

& suggestions for adjustment of the gap of Rs 1766 Cr as per APDCL petitions, even at a later date.

Sd/-

Secretary,

Assam Electricity Regulatory Commission

## Annexure-I

### List of members, special invitees, and officers present in the meeting of the 33<sup>rd</sup> SAC

#### Members

1. Kumar Sanjay Krishna, IAS (Retd), Chairperson, AERC
2. Shri Satyendra Nath Kalita, Member (Technical), AERC
3. Shri Alokeswar Bhattacharyya, Member (Law), AERC
4. Shri Narsing Pawar, Secretary (Finance)
5. Shri S. M. Z. Chistie, Additional Secretary Power (E)
6. Shri Nikunja Borthakur, Sr. CGM NRL
7. Shri Subodh Sharma, Consumer Activist
8. Shri Arin Bordoloi, Ex GM NTPC
9. Shri Abhijit Barooah, Ex-Chairman, CII Assam Branch
10. Shri Sanjay Bagchi, ABITA
11. Shri Deepakananda Bharali, Ex. GM IOC
12. Dr. Jaideep Baruah, Director, AEDA
13. Shri Kumud Medhi, Secretary, NESSIA
14. Shri Dilip. Kr. Sarma, Ex. Executive Director, PGCIL
15. Shri Sauresh Agarwala, Power Committee, FINER

#### SPECIAL INVITEES

1. Shri Maninder Singh, IAS(Retd.), Chairman, AEGCL
2. Shri Rakesh Kumar, IAS, Managing Director, APDCL
3. Shri Bibhu Bhuyan, Managing Director, APGCL
4. Shri Debajyoti Das, Managing Director, AEGCL
5. Shri J. N. Baruah, AASSIA
6. Shri Badan D. Barman, G.S, AASSIA

#### OFFICERS FROM APDCL, AEGCL & APGCL

1. Shri B. Basumatary, CGM, AEGCL
2. Shri Deepanjali Das, GM (PP&EM), APDCL
3. Shri Chinmoy kr. Bordoloi, GM, (TRC), APDCL
4. Shri F Hashmi DGM, AEGCL
5. Shri Pinkey Deb, DGM (AUDIT), APGCL
6. Shri Aklantika Saikia , DGM APGCL

7. Shri Debasish Paul , AGM (F&A) , AEGCL
8. Shri Dipmoni Nath, AM , AEGCL
9. Shri T.G. Basumatary, Special Executive Officer, APGCL
10. Shri Bidyut Das, Consultant

**OFFICERS FROM AERC**

1. Shri Manoj Kumar Deka, IAS (Retd). Secretary
2. Smt. Panchamrita Sharma, Joint Director (Tariff & RA)
3. Shri Nipen Deka, Joint Director (Engg)
4. Shri Jayjeet Bezbaruah, Deputy Director (Gen PPA, P&P)
5. Smt. Jharna Devi, Deputy Director (Engg)
6. Shri Kishore Rajkumar, Assistant Director (IT& RIM)
7. Smt. Punam Rabha, Assistant Director (Tariff)
8. Shri A.N. Dev Choudhury, Consultant (Tariff)