ASSAM ELECTRICITY REGULATORY COMMISSION

(AERC)

TARIFF ORDER

March 25, 2025

TRUE-UP FOR FY 2023-24, APR FOR FY 2024-25, ARR FOR FY 2025-26 to FY 2029-30, AND SLDC CHARGES for FY 2025-26

State Load Despatch Centre (SLDC)

Petition No. 24/2024

Table of Contents

List of Tables

List of Abbreviations

A&G	Administrative and General
AEGCL	Assam Electricity Grid Corporation Limited
AERC	Assam Electricity Regulatory Commission
APDCL	Assam Power Distribution Company Limited
APGCL	Assam Power Generation Corporation Limited
ARR	Aggregate Revenue Requirement
AS	Accounting Standards
ASEB	Assam State Electricity Board
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CTU	Central Transmission Utility
CWIP	Capital Work-In-Progress
DA	Dearness Allowance
DISCOM	Distribution Company
EPFI	Employees' Pension Fund Investment
FINER	Federation of Industry and Commerce of North Eastern Region
GFA	Gross Fixed Assets
GoA	Government of Assam
H1	First Half of the year
H2	Second Half of the year
HRA	House Rent Allowance
IWC/IoWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt Hour
LTA	Leave Travel Allowance
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NERLDC	North Eastern Region Load Despatch Centre
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
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
TVS	Technical Validation Session
WPI	Wholesale Price Index

ASSAM ELECTRICITY REGULATORY COMMISSION

Guwahati

Present

Shri K. S. Krishna, Chairperson

Shri A. Bhattacharyya, Member

Petition No. 24/2024

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

ORDER

(Passed on March 25, 2025)

(1) State Load Despatch Centre (SLDC) filed Petition for approval of Truing up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and Charges for FY 2025-26 for State Load Despatch Centre (SLDC) on December 16, 2024 after grant of extension by the Commission vide Order against the condonation of delay Petition No.18/2024. The same was registered as Petition No. 24/2024.

(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 January 17, 2025 with submission date of January 31, 2025.

(3) The Commission held an Admissibility Hearing on December 20, 2024 and admitted the Petition (Petition No. 24/2024) vide Order dated December 20, 2024.

(4) On admission of the Petition (Petition No. 24/2024), 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.

(5) Accordingly, a Public Notice was issued by the SLDC inviting objections/suggestions from respondents to be submitted on or before January 22, 2025. The abridged version and short notice was published in five (5) leading newspapers of the State on December 26, 2024 and December 27, 2024*, as shown in the Table below:

Date	Name of Newspaper	Language
December 26, 2024 and December 27, 2024. *	The Assam Tribune	English
	Thekar	Karbi
	Dainik Agradoot	Assamese
	Purbanchal Prahari	Hindi
	Bodosa	Bodo

**Short notices published on 29.12.2024*

(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 the Chief General Manager of SLDC. A copy of the Petition was also made available on the websites of the Commission, AEGCL and SLDC.

(7) In response to the Commission's letter dated January 17, 2025, SLDC submitted their replies to data gaps on January 30, 2025.

(8) A Technical Validation Session (TVS) was also held on February 10, 2025 at the conference room of the Commission.

(9) Following the TVS, additional data and clarifications were sought on February 14, 2025. SLDC submitted their replies on February 19, 2025.

(10) The Petitions were also discussed in the 35th meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on February 27, 2025 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

(11) The Commission received suggestions/objections from one (1) stakeholder on the

Petition filed by SLDC. The stakeholders were 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 March 12, 2025 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 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and Charges for FY 2025-26 for SLDC as detailed in the Chapters attached to this Order.

(13) The Commission directs SLDC 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, 2025 and shall continue until replaced by any subsequent Order of the Commission.

(15) Accordingly, the Petition Nos. 24/2024 stands disposed of.

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

1 INTRODUCTION

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 proviso 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 entries.

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 1st 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 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.

1.5 Multi Year Tariff Regulations, 2024

1.5.1 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, 2024 (herein after referred as "MYT Regulations, 2024") on November 05, 2024. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of five financial years from April 1, 2025 onwards up to March 31, 2030. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

1.5.2 Regulation 4.2 of the MYT Regulations, 2024, 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:

(i) Submission of a Multi-Year Tariff Petition by the Applicant at the beginning of the control period, comprising forecast of Aggregate Revenue Requirement for the entire Control Period and expected revenue from existing tariff and Charges, expected revenue gap or surplus, for each year of the Control Period, and proposed tariff and charges for ensuing year, i.e. first year of the Control Period:

Provided that the Distribution Licensees shall propose the category-wise tariff for the first year of the Control Period:

Provided also that Multi-Year Tariff Petition shall also include truing up for FY 2023-24 and the Annual Performance Review for FY 2024-25 to be carried out *under Assam Electricity Regulatory Commission (Terms & Conditions of Multi-Year Tariff) Regulations, 2021;*

(ii) A detailed Capital Investment Plan for each year of the Control Period, shall be submitted by the applicant for the Commission's approval;

(iii) The applicant shall submit operating norms and trajectories of performance parameters for each year of the Control Period, for the Commission's approval;

(iv) The applicant shall submit the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff for each year of the Control Period, and the Commission shall approve the tariff for Generating Companies, SLDC, Transmission Licensee, Distribution Wheeling Business and Retail Supply Business, for each year of the Control Period. The tariff shall be reviewed at the time of the true-up and annual performance review;

(v) In its tariff petition, a generating company shall submit information to support the determination of tariff for each generating station;

(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 shall also be undertaken;

(viii) The applicant shall, along with the tariff petition, submit a statement on the status of compliance of directives, if any, issued by the Commission in its previous tariff order;

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

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

(xi) There shall 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."*

1.6 Procedural History

1.6.1 In accordance with Regulation 18 of the MYT Regulations, 2024, SLDC is required to file an application for approval of Truing up for previous year, i.e., FY 2023-24, APR of current year, i.e., 2024-25, ARR for the Control Period from FY 2025-26 to FY 2029-30, and SLDC Charges for FY 2025-26, by 30th November 2024. SLDC filed the Petition for approval of Truing up for FY 2023-24 and APR for FY 2024-25 as per MYT Regulations, 2021 and ARR for FY 2025-26 to FY 2029-30 and Charges for SLDC as per MYT Regulations, 2024, on December 16, 2024 after grant of extension by the Commission vide order against the condonation of delay petition no.18/2024. The same was registered as Petition No. 24/2024.

1.6.2 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 January 17, 2025.

1.6.3 The Commission held an Admissibility Hearing on December 20, 2024 and admitted the Petition (Petition No. 24/2024) vide Order dated December 20, 2024. The condonation of delay petition no. 18/2024 was also disposed of vide the same order.

1.6.4 On admission of the Petition (Petition No. 24/2024), 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.

1.6.5 Further, SLDC was directed to publish advertisement in 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, and office of the Chief General Manager of SLDC. A copy of the Petition was also made available on the websites of the Commission, AEGCL and SLDC.

1.6.6 Accordingly, a Public Notice was issued by SLDC inviting objections/suggestions from respondents to be submitted on or before January 22, 2025. The notice was published in five (5) leading newspapers of the State, as shown in the Table below:

Date	**Name of Newspaper**	**Language**
December 26, 2024 and December 27, 2024. *	The Assam Tribune	English
	Thekar	Karbi
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	Purbanchal Prahari	Hindi
	Bodosa	Bodo

**Short notices published on 29.12.2024*

1.6.7 In response to the Commission's letter dated January 17, 2025, SLDC submitted their replies on January 30, 2025.

1.6.8 The Commission received suggestions/objections from one (1) stakeholder on the Petition filed by SLDC. SLDC 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 March 12, 2025 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions.

1.6.9 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 different consumers and consumer groups along with the response of SLDC, and views of the Commission are elaborated in **Chapter 3** of this Order.

1.7 State Advisory Committee Meeting

1.7.1 A meeting of the State Advisory Committee (SAC) was convened on February 27, 2025 at Bidyut Niyamak Bhawan, Six Mile, Guwahati, and Members were briefed on the Petition of SLDC. The Minutes of the 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 December 16, 2024 seeking approval for Truing up for FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 to FY 2029-30, and Determination of SLDC Charges for FY 2025-26. The SLDC Charges are to be recovered from the Assam Power Distribution Company Limited (APDCL), IPPs and other generators, traders and others who utilize the transmission system.

2.2 True-up for FY 2023-24

2.2.1 SLDC submitted True-up for FY 2023-24 based on the audited accounts. The summary of ARR and Revenue Gap/(Surplus) claimed by SLDC for FY 2023-24 is shown in the following Table:

Table 1: True-up for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 29.03.2023	SLDC Submission
1	O&M Expenses	9.58	8.40
A	*Employee Cost*	*7.70*	*7.65*
B	*R&M Expenses*	*1.20*	*0.36*
C	*A&G Expenses*	*0.68*	*0.39*
2	Depreciation	0.13	0.34
3	Interest & Finance Charges	0.16	0.09
4	Interest on Working Capital	0.41	0.40
5	Return on Equity	0.00	0.27
6	Less: Non-Tariff Income	0.18	0.26
7	**Aggregate Revenue Requirement**	**10.10**	**9.24**
8	Add: Sharing of (Gains)/Loss		(0.31)
9	**Aggregate Revenue Requirement after sharing of (Gains)/Loss**	**10.10**	**8.93**
10	Revenue with Approved Tariff		10.10
11	**Revenue Gap/(Surplus) for FY 2023-24**		**(1.17)**

2.3 Annual Performance Review of FY 2024-25

2.3.1 SLDC submitted Annual Performance Review of FY 2024-25 based on the approved forecast in the Tariff Order and half yearly results. The summary of APR is as follows:

Table 2: Annual Performance Review for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 27.06.2024	FY 2024-25 H1	FY 2024-25 H2	SLDC Estimation
1	O&M Expenses	13.98	6.82	6.82	13.64
A	*Employee Cost*	*9.14*	*4.58*	*4.58*	*9.15*
B	*R&M Expenses*	*3.65*	*2.04*	*2.04*	*4.07*
C	*A&G Expenses*	*1.19*	*0.21*	*0.21*	*0.42*
2	Depreciation	0.27	0.17	0.18	0.36
3	Interest & Finance Charges	0.01	0.03	0.03	0.05
4	Interest on Working Capital	0.69	0.33	0.33	0.67
5	Return on Equity	0.27	0.04	0.13	0.27
6	Less: Non-Tariff Income	0.18	0.19	0.02	0.21
7	**Aggregate Revenue Requirement**	**15.04**	**7.20**	**7.47**	**14.78**
8	Revenue with Approved Tariff for FY 2024-25				15.04
9	**Revenue Gap /(Surplus) for FY 2024-25**				**(0.27)**

2.4 Multi Year Tariff Determination for FY 2025-26 to FY 2029-30

2.4.1 SLDC has projected the ARR for each year of the Control Period from FY 2025-26 to FY 2029-30, as detailed in the Table below:

Table 3: ARR for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	O&M Expenses	15.70	17.63	19.56	21.67	24.96
A	*Employee Cost*	*10.75*	*12.45*	*14.26*	*16.19*	*18.24*
B	*R&M Expenses*	*4.50*	*4.71*	*4.79*	*4.94*	*6.13*

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
C	*A&G Expenses*	*0.45*	*0.48*	*0.51*	*0.55*	*0.59*
2	Depreciation	0.28	0.36	0.34	0.54	0.39
3	Interest & Finance Charges	0.02	0.00	0.00	0.00	0.00
4	Interest on Working Capital	0.68	0.77	0.85	0.94	1.08
5	Return on Equity	0.27	0.27	0.27	0.27	0.27
6	Less: Non-Tariff Income	0.21	0.21	0.21	0.21	0.21
7	**Aggregate Revenue Requirement**	**16.73**	**18.83**	**20.80**	**23.21**	**26.49**

2.5 Prayers of SLDC

2.5.1 SLDC, in its Petition, has prayed as under:

- *"Accept the Annual Revenue Requirements and Tariff proposal for Transmission 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 2023-24, APR for FY 2024-25 and as per MYT regulation,2024 ARR from FY 2025-26 to FY 2029-30;*
- *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.*
- *To grant any other relief as the Hon'ble Commission may consider appropriate;*
- *To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;*
- *To condone any error/omission and to give opportunity to rectify the same;*
- *To permit SLDC to make further submissions, addition and alteration to this Petition as may be necessary from time to time."*

3 Brief Summary of Stakeholders' Comments, Response of the SLDC and Commission's View

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

Sl. No.	Name of Respondent
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 March 12, 2025.

3.1.5 The respondents 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 stakeholders and responses of the Petitioner are briefly dealt with in this Chapter. The major issues raised by the respondents 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 the Petitioner in the True-up Petition for FY 2023-24, APR Petition of FY 2024-25 and ARR Petition for FY 2025-26 to 2029-30 has considered the additional expenses for increase in number of employees to the tune of Rs. 1 Crore. However, the Petitioner has not provided any breakup of additional expenditure on account of increase in number of employee base. The Commission is therefore requested that the claimed additional expenditure to the tune of Rs. 1 Crore may only be allowed subject to prudence check by the Commission.

Additionally, the Commission did not approve a growth rate for employee expenses in its Order dated 27.06.2024 due to a reduction in the number of employees for FY 2022-23.

The Petitioner has also failed to provide the number of employees for FY 2023-24 and FY 2024-25. In the absence of this information, the claim for growth rate should not be considered. Furthermore, while the Petitioner has based employee expenses on Rs. 6.25 Crore (approved for FY 2022-23), the normative employee expenses for FY 2022-23 were Rs. 5.25 Crore, with Rs. 1 Crore approved as an additional expense.

It is therefore, submitted that the base employee expense be aligned with the normative figure of Rs. 5.25 crore, as per the Commission's previous approval, ensuring consistency with past orders.

Response of SLDC

SLDC submitted that the actual Employee Costs for FY 2023-24 are higher than the normative employee expenses. Further, SLDC submitted that the actual break-up of Employee expenses is already provided in the Tariff Petition. Therefore, SLDC requested the Commission to approve the employee cost of Rs. 7.65 crore for FY 2023-24.

SLDC submitted that the actual Employee Costs for H1 and estimation for H2 for FY 2024-25 is higher than normative employee expenses. Further, the break-up of Employee expenses is already provided in the Tariff Petition. Therefore, SLDC requested the Commission to approve the employee cost of Rs. 9.15 crore for FY 2024-25.

Commission's View

The Commission has approved the normative O&M expenses after truing up for FY 2023-24 and has also passed through 1/3rd of efficiency gains/(losses) on account of the variation between the normative O&M expenses and actual O&M expenses to the beneficiaries, in accordance with the provisions of the MYT Regulations, 2021. The detailed computations are elaborated in **Chapter 4** of this Order.

The Commission has approved the normative O&M expenses after APR for FY 2024-25 in accordance with the provisions of the MYT Regulations, 2021. The detailed computations are elaborated in **Chapter 5** of this Order. Further, the applicability of growth rate and provisioning of Rs. 1 crore for projection of employee expenses shall be considered based on actuals, at the time of truing up of FY 2024-25.

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

Stakeholders' Comments

FINER submitted that the Petitioner in the True-up Petition for FY 2023-24 has considered the actual AMC cost of SCADA/EMS and additional amount for enhancing Cyber Security under SLDC R&M to the tune of Rs. 0.30 Crore. The Petitioner in the current APR Petition for FY 2024-25 has claimed expenses totalling Rs. 4.01 crore for various items, including AMC cost of SCADA/EMS, Additional amount for enhancing Cyber Security, Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room, and SAMAST AMC - GENUS and PWC. The Petitioner, in the current ARR and MYT Petition for FY 2024-25 to FY 2029-30, has claimed additional expenses for various items such as AMC cost of SCADA/EMS, Cyber Security enhancement, SAMAST AMC - GENUS, "SAMAST AMC- PWC, Major changes for SAMAST App modules, AMC cost for SOC, AMC for Central AC for SLDC, Firewall AMC, Website Maintenance, Laptop/Desktop AMC, and maintenance of Access Control System for Server room. These expenses total ranging from Rs. 4.44 Crore to Rs. 5.63 Crore for FY 2025-26 to FY 2029-30, respectively.

However, the Petitioner has not provided any documentary evidence for such AMC expenses. Therefore, it is requested that the Commission allow these additional expenses only after conducting a due prudence check.

Response from SLDC

SLDC submitted that the R&M Expenses for FY 2023-24 and FY 2024-25 have been submitted as per MYT Regulations, 2021. Further, AMC cost of SCADA and additional amount for enhancing cyber security is submitted as per actual expenditure.

SLDC submitted that the R&M Expenses for the Control Period have been computed as per MYT Regulations, 2024 and justification for claim against additional amount has been provided in the Tariff Petition.

Commission's View

The Commission has approved the normative O&M expenses for SLDC for the True-up for FY 2023-24 and APR for FY 2024-25 in accordance with the provisions of the MYT Regulations, 2021 which have been elaborated in Chapter 4 and Chapter 5 respectively. The Commission has approved the normative O&M expenses for SLDC for the Control Period from FY 2025-26 to FY 2029-30 in accordance with the provisions of the MYT Regulations, 2024. The detailed computations are elaborated in **Chapter 7** of this Order. The Commission has also discussed and given its ruling on the additional R&M expenses claimed by SLDC in addition to the normative R&M expenses, as elaborated in **Chapter 7** of this Order.

Issue 3: Depreciation

Stakeholders' Comments

The Petitioner has claimed depreciation amounting to Rs. 0.34 Crore for FY 2023-24. The Respondent submitted that depreciation should be allowed on asset additions (excluding grants) in addition to the depreciation approved by the Commission for FY 2022-23. The objector has assessed depreciation of Rs. 0.13 Crore. The depreciation rate as per Audited Accounts has been shown as 4.64% for the said computation.

The Petitioner has claimed depreciation of Rs. 0.36 Crore for FY 2024-25. The Respondent submitted that depreciation should be allowed on asset additions (excluding grants) in addition to the depreciation allowable for FY 2023-24. Therefore, the assessment of the objector of allowable depreciation is Rs. 0.16 Crore.

The Petitioner has claimed depreciation ranging from Rs. 0.28 Crore to Rs. 0.54 Crore for FY 2025-26 to FY 2029-30. The Respondent submitted that depreciation should be allowed on asset additions (excluding grants) in addition to the allowable depreciation for each year, ranging from Rs. 0.23 Crore to Rs. 0.51 Crore for FY 2025-26 to FY 2029-30, respectively.

Response from SLDC

SLDC submitted that depreciation has been submitted as per MYT Regulations, 2021 for true-up and APR and as per MYT Regulations, 2024 for the Control Period. SLDC also submitted that the rate of depreciation as per Audited Accounts is not 4.64% for FY 2023-24 and that the item-wise rates are mentioned at Page 12 of the Audited Accounts submitted along with the petition.

Commission's View

The Commission has allowed depreciation in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2025-26 to FY 2029-30, and the methodology adopted in previous Tariff Orders. The same is detailed in the relevant Chapters of this Order.

Issue 4: Interest on loan

Stakeholders' Comments

FINER submitted that the Petitioner has claimed interest on loan amounting to Rs. 0.09 Crore for FY 2023-24. The Respondent submitted that the Commission, during the truing up of FY 2022-23, allowed the Interest on Loan Capital by considering an interest rate of 0.58%. However, the interest rate claimed by the Petitioner for FY 2023-24 deviates significantly from the interest rate approved by the Commission for FY 2022-23. In the absence of relevant data with the Objector, the Objector has relied on the aforementioned Order of the Commission and has considered the allowable rate of interest on loan to be 0.58%. Considering the same, allowable interest on loan for FY 2023-24 comes to 0.005 Cr and for FY 2024-25 to 0.004 Cr.

Response of SLDC

SLDC submitted that the Interest on Loan has been claimed as per the normative formula of MYT Regulations, 2021 and requested the Commission to approve the same.

Commission's View

The Commission has allowed interest on loan in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2025-26 to FY 2029-30. The same is detailed in the relevant Chapters of this Order.

Issue 5: Interest on Working Capital (IoWC)

Stakeholders' Comments

FINER submitted that the Petitioner has claimed Interest on Working Capital amounting to Rs. 0.40 Crore and Rs. 0.68 Crore for the FY 2023-24 and FY 2024-25. FINER requested the Commission to approve Rs. 0.28 Crore and Rs. 0.31 Crore towards IoWC for FY 2023-24 and FY 2024-25, respectively, in line with the submissions made in the preceding sections.

FINER submitted that in line with the submissions made in the preceding sections, the allowable Interest on Working Capital for the Control Period should also be allowed at lower levels.

Response of SLDC

SLDC submitted that detailed computation of IoWC as shown in SLDC's Petition for True Up and APR is in accordance with MYT Regulations, 2021. SLDC has adopted same methodology for calculation of IoWC for the MYT Control Period as per MYT Regulations, 2024. SLDC requested the Commission to approve the same.

Commission's View

The Commission has allowed IoWC in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2025-26 to FY 2029-30. The same is detailed in the relevant Chapters of this Order.

Issue 6: Return on Equity (RoE)

Stakeholders' Comments

FINER submitted that the Petitioner has proposed an equity addition of Rs. 0.07 Crore. As per the MYT Regulations, 2021, the prescribed debt-to-equity ratio for capitalization is 70:30. Hence, it is recommended that the equity addition be apportioned accordingly, with 70% (Rs. 0.049 Crore) as debt and 30% (Rs. 0.021 Crore) as equity.

Response of SLDC

SLDC submitted that the RoE has been claimed as per the norms of the MYT Regulations, 2021 and requested the Commission to approve the same.

Commission's View

The Commission has allowed RoE in accordance with the MYT Regulations, 2021 for FY 2023-24 and FY 2024-25 and MYT Regulations 2024, for the Control Period from FY 2025-26 to FY 2029-30. The funding of the capitalisation has been allowed in the normative debt:equity ratio of 70:30, after deducting the portion funded from Grants. The same is detailed in the relevant Chapters of this Order.

Issue 7: Summary of True-up of FY 2023-24

Stakeholders' Comments

FINER submitted that based on the submissions made in the preceding sections, the Commission is requested to consider the allowable ARR as Rs. 6.17 Crore after the True up of FY 2023-24 based on the Objectors' assessment, with the net Surplus for the True-up for FY 2023-24 working out to be Rs. 3.62 Crore against the Surplus of Rs. 1.17 Crore claimed by the Petitioner**.**

Response of SLDC

SLDC requested the Commission to approve the ARR of Rs. 8.93 Crore and allow SLDC to pass on the Revenue Surplus of Rs. 1.17 Crore for FY 2023-24.

Commission's View

The Commission has approved the ARR and Revenue Surplus after truing up for FY 2023-24 as detailed in Chapter 4 of this Order.

Issue 8: Non-Tariff Income

Stakeholders' Comments

FINER submitted that the Petitioner has claimed Non-Tariff Income (NTI) amounting to Rs. 0.21 Crore for FY 2024- 25 and each year of the Control Period from FY 2025-26 to FY 2029-30.

FINER requested the Commission to allow NTI to the tune of Rs. 0.26 Crore, same as claimed by the Respondent in the True up of FY 2023-24 and for each year of the Control Period from FY 2025-26 to FY 2029-30.

Response of SLDC

SLDC submitted that the estimated amount of Non-Tariff Income comprises mostly the income from SLDC charges paid by IEX. Therefore, SLDC requested the Commission to approve the same.

Commission's View

The Commission has approved NTI for FY 2023-24 and FY 2024-25, as detailed in Chapters 4 and 5 of this Order. The Commission has approved NTI for each year of the Control Period from FY 2025-26 to FY 2029-30, as detailed in Chapter 6 of this Order.

Issue 9: Summary of Review of ARR for FY 2024-25

Stakeholders' Comments

FINER submitted that the net Surplus after the Review of ARR for FY 2024-25 works out to Rs. 8.15 Crore against the Surplus of Rs. 0.26 Crore claimed by the Petitioner. FINER requested that the Commission may allow a net ARR of Rs. 6.89 Crore and a Surplus of Rs. 8.15 Crore.

Response of SLDC

SLDC requested the Commission to approve the ARR of Rs. 14.78 Crore for FY 2024-25.

Commission's View

The Commission has approved the ARR and Revenue Surplus after APR for FY 2024-25 as detailed in Chapter 5 of this Order.

Issue 10: Summary of ARR and SLDC Charges for FY 2025-26 to FY 2029-30

Stakeholders' Comments

FINER requested the Commission to consider the allowable ARR for FY 2025-26 to FY 2029-30 based on the Objectors' assessment on allowable ARR of Rs. 7.38 Cr, Rs. 7.89 Cr, Rs. 8.47 Cr, Rs. 9.08 Cr and Rs. 9.77 Cr against SLDC's claim of Rs.16.74 Cr, Rs. 18.83 Cr, Rs. 20.81 Cr, Rs. 23.22 Cr and Rs. 26.49 Cr for FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively. FINER requested the Commission to approve the SLDC Charges accordingly.

Response of SLDC

SLDC requested the Commission to approve the ARR as per Tariff Petition.

Commission's View

The Commission has approved the ARR for the Control Period as detailed in Chapter 7 and SLDC Charges for FY 2025-26 as detailed in Chapter 8 of this Order.

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4 Truing up for FY 2023-24

4.1 Methodology for Truing Up

4.1.1 The Commission had approved the ARR and Tariff for SLDC for FY 2023-24 in the Tariff Order dated March 29, 2023.

4.1.2 SLDC submitted the Truing-up Petition for FY 2023-24 based on audited annual accounts, allocation of expenses and revenue between AEGCL Transmission and SLDC, and provisions of MYT Regulations, 2021, wherever applicable. SLDC has sought true-up for FY 2023-24 with the Revenue Gap/(Surplus) to be recovered/(adjusted) during FY 2025-26.

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 2023-24 based on the submissions of SLDC, audited annual accounts for FY 2023-24, 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 2023-24 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 are discussed below:

4.2.2 **Employee Expenses**

SLDC submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity funding, leave encashment, and staff welfare expenses. SLDC has claimed normative employee expenses of Rs. 7.65 Crore for FY 2023-24, as against employee expenses of Rs. 7.70 Crore approved in the Tariff Order dated March 29, 2023. The actual employee expenses were Rs. 6.71 Crore in FY 2023-24.

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. 0.36 Crore for FY 2023-24, as against R&M expenses of Rs. 1.20 Crore approved in the Tariff Order dated March 29, 2023. The actual R&M expenses were Rs. 0.24 Crore in FY 2023-24.

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

SLDC submitted that Administrative expenses mainly comprise rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, other charges. SLDC has claimed normative A&G expenses of Rs. 0.39 Crore for FY 2023-24, as against A&G expenses of Rs.0.68 Crore approved in the Tariff Order dated March 29, 2023. The actual A&G expenses were Rs. 0.51 Crore in FY 2023-24.

The normative O&M Expenses claimed by SLDC for FY 2023-24 are shown in the Table below:

Table 4: Normative O&M Expenses for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission
A	Employee Cost	7.70	7.65
B	R&M Expenses	1.20	0.36
C	A&G Expenses	0.68	0.39
	O&M Expenses	**9.58**	**8.40**

Commission's Analysis

4.2.5 For the purpose of truing up for FY 2023-24, the Commission has computed the O&M Expenses on normative basis 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

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

a) The normative employee expenses approved after true up for FY 2022-23 for SLDC in Tariff Order dated June 27, 2024 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) 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 2023-24, the Commission had disallowed the same as the normative employee expenses have now caught up with the actual employee expenses, eliminating the need for the additional Rs. 1 Crore. It needs to be remembered that the additional employee expense of Rs. 1 Crore was given over and above the normative employee expenses allowable as per MYT Regulations, 2021, to meet the gap between the normative employee expenses and the actual employee expenses, and SLDC should not earn efficiency gains on account of additional employee expenses.

4.2.7 The normative employee expenses approved in the true-up for FY 2023-24 are shown in the following Table:

Table 5: Approved Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after true-up
Base Employee Cost (n-1)	6.31	6.25	6.25
CPI Inflation	5.18%	5.40%	5.40%
Growth Factor	1.00%	1.00%	0.00%
Normative Employee Cost for FY 2023-24	**6.70**	**6.65**	**6.59**
Additional Expense for increase in No. of Employees	1.00	1.00	0.00
Normative Employee Expenses	**7.70**	**7.65**	**6.59**

R&M Expenses

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

a) WPI inflation has been computed as average increase of WPI index for the period from FY 2020-21 to FY 2022-23, which works out to 7.90%;

b) The K-factor has been approved as 1% for SLDC for FY 2023-24 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 2023-24;

c) AMC Cost of SCADA/EMS and Additional amount for enhancing cyber security has been approved at actuals separately after removing it from normative R&M Expense of SLDC.

4.2.9 The normative R&M expenses approved in the true-up for FY 2023-24 is shown in the following Table:

Table 6: Approved R&M Expenses for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after true-up
1	Opening GFA for previous year	5.61	5.48	5.61
2	Closing GFA for previous year	21.15	5.65	5.78

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after true-up
3	**Average GFA for previous year**	**13.38**	5.56	5.70
4	K Factor	1%	1.00%	1.00%
5	WPI Inflation	5.32%	7.89%	7.90%
6	**Normative R&M Expenses**	**0.14**	**0.06**	**0.06**
7	AMC Cost of SCADA/EMS	0.42	0.11	0.11
8	Additional amount for enhancing cyber security	0.56	0.19	0.19
9	Firewall AMC, Website Maintenance etc.	0.08		
10	**Normative R&M Expenses**	**1.20**	**0.36**	**0.36**

A&G Expenses

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

a) The normative A&G expenses approved after True-up for FY 2022-23 for SLDC in Tariff Order dated June 27, 2024 have been considered as base expenses for computation of normative A&G expenses for FY 2023-24;

b) WPI inflation has been computed as average increase of WPI index for period from FY 2020-21 to FY 2022-23, which works out to 7.90%.

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

Table 7: Approved A&G Expenses for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after true-up
1	A&G Expenses for Previous year	0.36	0.36	0.36
2	WPI Inflation	8.02%	7.90%	7.90%
3	Provision for additional Expenses	0.30		

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after true-up
4	**Normative A&G Expenses for the year**	**0.68**	**0.39**	**0.39**

4.2.12 The revised normative O&M expenses approved by the Commission after truing up for FY 2023-24 are shown in the following Table:

Table 8: Revised Normative O&M Expenses approved by Commission for SLDC for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	SLDC Submission	Approved after Truing up
1	Employee Expenses	7.70	7.65	6.59
2	R&M Expenses	1.20	0.36	0.36
3	A&G Expenses	0.68	0.39	0.39
	Total	**9.58**	**8.40**	**7.34**

4.2.13 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.

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

Table 9: Sharing of gains/(losses) for O&M Expenses for FY 2023-24 (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	6.71	6.59	(0.12)	
2	Less: Terminal Liabilities	0.84	0.84	0.00	

Sl. No.	Particulars	Actual	Normative	Gains/ (Losses)	Gains/(Losses) to be shared with APDCL
		a	B	c=b-a	d=c x 1/3
3	Employee Cost excluding Terminal Liabilities	5.87	5.75	(0.12)	(0.04)
4	R&M Expenses	0.54	0.36	(0.18)	(0.06)
5	A&G Expenses	0.51	0.39	(0.13)	(0.04)
	Total	**6.93**	**6.50**	**(0.43)**	**(0.14)**

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

4.2.15 Normative O&M expenses are lower than actual expenses; hence, 1/3rd of the loss amounting to Rs. 0.14 Crore has been shared and passed on through the ARR.

4.3 Capitalisation

4.3.1 SLDC submitted the actual Capitalisation for FY 2023-24 as shown in the following Table:

Table 10: Actual Capitalisation (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	Actual
1.	Capitalisation	1.18	0.07

4.3.2 SLDC submitted that capitalisation is funded by equity; no infusion of debt or grant has been made. The funding of capitalisation is shown in the following Table:

Table 11: Funding of Capitalisation for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	SLDC Submission
1	Grant	-
2	Equity	0.07
3	Debt	-
4	**Total Capitalisation**	**0.07**

Commission's Analysis

4.3.3 The scheme-wise capital expenditure was approved by the Commission in the Tariff Order dated March 29, 2023. 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 29, 2023, had approved capitalisation of Rs. 1.18 Crore for FY 2023-24, against which SLDC has achieved actual capitalisation of Rs. 0.07 Crore. For the purpose of truing up, the Commission has considered the actual capitalisation for FY 2023-24 based on the audited accounts. As regards the funding of capitalisation, the Commission has considered the funding based on the normative debt:equity ratio of 70:30, in accordance with the MYT regulations, 2021.

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 2023-24 is shown in the following Table:

Table 12: Capital Expenditure and Capitalisation for FY 2023-24 approved by Commission (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after Truing up
1	Capitalisation	1.18	0.07	0.07
	Funding of Capitalisation			
2	Grant		-	-
3	Equity		0.07	0.02
4	Debt		-	0.05
5	**Total**	**1.18**	**0.07**	**0.07**

4.4 Depreciation

4.4.1 The Commission had approved the Depreciation of Rs. 0.13 Crore for FY 2023-24 in the Order dated March 29, 2023. As against this, SLDC has claimed depreciation of Rs. 0.34 Crore in the True-up for FY 2023-24.

Commission's Analysis

4.4.2 The Commission has considered the opening GFA for FY 2023-24 as per the closing

GFA value approved after truing up for FY 2022-23 vide the Tariff Order dated June 27, 2024. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

4.4.3 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.

4.4.4 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 2023-24. The depreciation approved in the truing up for FY 2023-24 is given in the Table below:

Table 13: Depreciation approved for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of deprecia tion	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	0.02	3.34%	0.00
6	Plant & Machinery	4.83	0.02	5.28%	0.26
7	Lines & Cable Net work	0.07	0.00	5.28%	0.00
8	Vehicles	-	-	9.50%	-
9	Furniture & Fixtures	0.17	0.01	6.33%	0.01
10	Office Equipment	0.31	0.02	6.33%	0.02
11	Computer and Accessories	0.03		15.00%	0.00
14	**Grand Total**	**5.78**	**0.07**		**0.29**
15	Less: Depreciation for Grants/ Consumer Contribution				0.11
16	**Net Total**				**0.18**

The Commission accordingly approves Depreciation of Rs. 0.18 Crore after truing up for FY 2023-24.

4.5 Interest and Finance Charges

4.5.1 The Commission had approved Interest and Finance Charges of Rs. 0.16 Crore for FY 2023-24 in the Order dated March 29, 2023. As against this, SLDC has claimed Interest and finance charges of Rs. 0.09 Crore for FY 2023-24.

Commission's Analysis

4.5.2 The Commission has approved Interest on loan capital for FY 2023-24 on normative basis in accordance with Regulation 35 of the MYT Regulations, 2021.

4.5.3 Accordingly, the Commission has considered the opening net normative loan as on April 1, 2023 as Rs. 0.90 Crore, based on the closing normative loan balance approved in the true-up for FY 2022-23, against SLDC's submission as Rs. 1.06 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.

4.5.4 As per MYT Regulations, 2021, weighted average rate of interest shall be computed based on outstanding loan as on April 1, 2023. SLDC submitted that the interest on the loans has been computed @9.92% as approved by the Commission vide Tariff Order dated March 23, 2023. The Commission has considered the weighted average interest rate same as that applicable for AEGCL, i.e., 6.83%, for computation of interest on loan capital for SLDC, as SLDC does not have any actual loans on its books.

4.5.5 The Interest on loan capital approved by the Commission after truing up for FY 2023-24 is shown in the following Table:

Table 14: Approved Interest on loan Capital for FY 2023- 24(Rs. Crore)

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after Truing up
Net Normative Opening Loan	1.06	1.06	0.90
Addition of normative loan during the year	1.18	-	0.05
Normative Repayment during the year	0.13	0.34	0.18
Net Normative Closing Loan	2.11	0.72	0.77
Interest Rate	9.92%	9.92%	6.83%
Total Interest and Finance Charges	**0.16**	**0.09**	**0.06**

4.5.6 **The Commission approves Interest on loan as Rs 0.06 Crore after truing up for FY 2023-24**.

4.6 Return on Equity

4.6.1 SLDC has claimed the Return on Equity as Rs. 0.27 Crore for FY 2023-24. RoE has been calculated at 15.50% on average equity balance during the year.

Commission's Analysis

4.6.2 The Commission has approved the Return on Equity in accordance with Regulation 34 of the MYT Regulations, 2021. The Commission has considered the addition of equity equivalent to equity portion of capitalised works as approved in this Order, which is Rs. 0.02 Crore. Therefore, the approved Return on Equity at 15.50% is shown in the Table below:

Table 15: Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dtd. 29.03.2023	SLDC Submission	Approved after Truing up
1	Equity (Opening Balance)		1.68	1.68
2	Net additions during the year		0.07	0.02
3	Less: Reduction during the year			-
4	**Equity (Closing Balance)**		1.75	1.70
5	**Average Equity**		1.71	1.69
6	Rate of Return on Equity		15.50%	15.50%
7	**Return on Equity**	**-**	**0.27**	**0.26**

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

4.7 Interest on Working Capital (IoWC)

4.7.1 The Commission had approved normative IoWC of Rs. 0.41 Crore in the Tariff Order dated March 29, 2023. 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 2023-24 plus 300 basis points. SLDC has claimed IoWC of Rs. 0.40 Crore in the Truing up for FY 2023-24, as shown in the following Table:

Table 16: Interest on Working Capital for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission
1	O&M expenses for 1 month	0.80	0.70
2	Maintenance spares @ 15% of O&M expenses	1.44	1.26
3	Receivables for two months	1.68	1.49
4	**Total Working Capital**	**3.92**	**3.45**
5	Rate of Interest	10.58%	11.57%
6	**Interest on Working Capital**	**0.41**	**0.40**

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 2023-24 plus 300 basis points, i.e., 11.57%.

4.7.3 For computation of working capital requirement, the normative O&M Expenses and receivables based on actual revenue billed have been considered. IoWC approved by the Commission in the truing up for FY 2023-24 is shown in the following Table:

Table 17: IoWC for FY 2023-24 as approved by the Commission (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after Truing up
1	O&M expenses for 1 month	0.80	0.70	0.61
2	Maintenance spares @ 15% of O&M expenses	1.44	1.26	1.10

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after Truing up
3	Receivables for two months	1.68	1.49	1.68
4	**Total Working Capital**	**3.92**	**3.45**	**3.40**
5	Rate of Interest	10.58%	11.57%	11.57%
6	**Interest on Working Capital**	**0.41**	**0.40**	**0.39**

4.7.4 **Accordingly, the Commission approves Interest on Working Capital of Rs. 0.39 Crore after truing up for FY 2023-24**.

4.8 Non-Tariff Income

4.8.1 The Commission had approved Non-Tariff Income (NTI) of Rs. 0.18 Crore in the Tariff Order dated March 29, 2023 for FY 2023-24.

4.8.2 SLDC submitted that the amount of NTI comprises mostly of income from SLDC charges paid by Open Access related charges, which is under head of Other Miscellaneous Receipt. SLDC submitted that it has considered the actual NTI of Rs. 0.26 Crore earned during FY 2023-24 in the truing up, as shown in the Table below:

Table 18: NTI for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission
Application fees and Other charges from STOA consumers		0.05
Rental from contractors/others		0.02
Rentals from staff quarters		0.02
Amount received against scheduling & operating charges		0.12
Amount received against SLDC charges from Open Access consumers		0.05
Total	**0.18**	**0.26**

4.8.3 SLDC requested the Commission to approve the NTI amounting to Rs. 0.26 Crore in the true-up for FY 2023-24.

Commission's Analysis

4.8.4 The Commission has verified the head-wise NTI from the Audited Accounts of SLDC for FY 2023-24.

4.8.5 The Commission has considered the NTI in the truing up for FY 2023-24, as Rs. 1.00 Crore after incorporating Notional Interest from SAMAST Fund retention, as explained in the subsequent section, as shown in the Table below:

Table 19: NTI approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order dt. 29.03.2023	SLDC Submission	Approved after Truing up
Application fees and Other charges from STOA consumers		0.05	0.05
Rental from contractors/others		0.02	0.02
Rentals from staff quarters		0.02	0.02
Amount received against scheduling & operating charges from Calcom Cement booked by SLDC		0.12	0.12
Amount received against SLDC charges from Open Access consumers		0.05	0.05
Notional Interest from SAMAST Fund retention			0.74
Total	**0.18**	**0.26**	**1.00**

4.9 Status of SAMAST Fund

4.9.1 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 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. The Commission had thus, approved the total amount of SLDC Fund available at the end of FY 2022-23 as Rs. 6.40 Crore, after truing up for FY 2022-23.

4.9.2 SLDC has not utilized the available SLDC Funds in FY 2023-24 also. Hence, the Commission has computed the nominal interest on the Fund as shown in the Table below, and has considered the same as NTI:

Table 20: Status of SAMAST fund at the end of FY 2023-24 (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening amount of Fund	5.25	5.78	6.40
Addition during the year	-	-	-
Utilisation during the year	-	-	-
Closing amount of fund	5.25	5.78	6.40
Working capital interest rate	10.00%	10.80%	11.57%
Interest on SAMAST Fund parked with SLDC	0.53	0.62	0.74
Total amount of SLDC Fund available for utilisation at the end of the year	**5.78**	**6.40**	**6.40$**

***Note**: $ - The interest on the SAMAST Fund has been added to the NTI in FY 2023-24 and the SLDC Fund amount has been retained at the same level*

4.9.3 SLDC has utilized a part of the SLDC Fund in FY 2024-25, as elaborated in Chapter 5 of this Order.

4.10 ARR after Truing Up of FY 2023-24

4.10.1 Considering the above heads of expense and revenue as per the Audited Accounts for FY 2023-24 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2023-24 is shown in the following Table:

Table 21: ARR approved after Truing up for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 29.03.2023	Proposed by SLDC	Approved after truing up
1	O&M Expenses	9.58	8.40	7.34
a	*Employee Cost*	7.70	7.65	6.59
b	*R&M Expenses*	1.20	0.36	0.36
c	*A&G Expenses*	0.68	0.39	0.39
2	Depreciation	0.13	0.34	0.18
3	Interest & Finance Charges	0.16	0.09	0.06
4	Interest on Working Capital	0.41	0.40	0.39
5	Return on Equity	-	0.27	0.26
6	Less: Non-Tariff Income	0.18	0.26	1.00
7	**Aggregate Revenue Requirement**	**10.10**	**9.24**	**7.23**
8	Add: Sharing of (Gains)/Loss	-	(0.31)	0.14
9	**ARR after Sharing (Gains)/Losses**	**10.10**	**8.93**	**7.37**
10	**Revenue with Approved Tariff**	**-**	**10.10**	**10.10**
11	**Revenue Gap/(Surplus)**	**-**	**(1.17)**	**(2.73)**

4.10.2 **The Commission has approved the ARR after sharing of (Gains)/Losses after Truing-up for FY 2023-24 as Rs. 7.37 Crore. After considering the Revenue at approved Tariff, the Revenue Surplus of Rs. 2.73 Crore is approved after truing up for FY 2023-24. This Revenue Surplus, with associated Holding cost, has been considered for adjustment in the ARR of APDCL during FY 2025-26.**

5 Annual Performance Review for FY 2024-25

5.1 Methodology for Annual Performance Review

5.1.1 The Commission approved the ARR for FY 2024-25 in the Tariff Order dated June 27, 2024.

5.1.2 SLDC submitted the APR for FY 2024-25 comparing actual performance during April to September (H1) and revised estimates for October to March (H2) of FY 2024-25 with figures approved for FY 2024-25 vide Tariff Order dated June 27, 2024. AEGCL clarified that the GFA of SLDC has been segregated from AEGCL's GFA and is filed separately under SLDC's APR Petition for FY 2024-25.

5.1.3 In the present Chapter, the Commission has analysed the submission of all the elements of ARR vis-à-vis approved values in the Tariff Order for FY 2024-25. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2024-25. 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 2024-25.

5.2 Operation and Maintenance Expenses

5.2.1 SLDC submitted that O&M expenses for FY 2024-25 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis. The share of SLDC in the O&M expenses as claimed in the true-up for FY 2023-24 have been considered as the base expenses. The average WPI and CPI have been considered as 7.22% and 5.46%, respectively. The normative O&M expenses submitted by SLDC for FY 2024-25 are shown in the Table below:

Table 22: Normative O&M Expenses Projected by SLDC for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 27.06.2024	SLDC Submission
1	**O&M Expenses**	**13.98**	**13.64**
a	Employee Expenses	9.14	9.15
b	R&M Expenses	3.65	4.07
c	A&G Expenses	1.19	0.42

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

FY 2024-25, 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 2023-24 has been considered as base employee cost for FY 2024-25. The Gn (Growth Factor) of SLDC has been considered as 1.00% as approved by the Commission in the Tariff Order dated June 27, 2024. SLDC submitted that Commission approved Rs. 1 Crore in Tariff Order dated June 27, 2024 towards additional expense for increase in number of employees. SLDC has submitted that 1 employee will be added in FY 2024-25. 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. 9.15 Crore as shown in the above Table.

5.2.4 R&M Expenses

SLDC submitted that during FY 2024-25, the estimated AMC cost for SCADA/EMS based on 6 months actual (H1) and 6 months projection (H2) has been considered as Rs. 0.88 Crore, and for firewall AMC, Website Maintenance, etc., has been considered as Rs. 0.10 Crore, which needs to be considered under R&M Expenses. SLDC further submitted that the Commission has approved Rs. 0.30 Core as provision for Cyber security enhancement in the Tariff Order dated June 27, 2024, which has been initiated by SLDC for completion during FY 2024-25. The Commission in its Tariff order dated June 27, 2024, for FY 2024-25, has approved Rs. 1.5 Crore and Rs. 1.23 Crore against SAMAST AMC- GENUS and SAMAST AMC- PWC, respectively. SLDC submitted that considering WPI of 7.22% and “K” factor of SLDC as 1% as approved by the Commission in the Tariff Order dated June 27, 2024, SLDC has estimated normative R&M expenses of Rs. 4.07 Crore for FY 2024-25.

5.2.5 A&G Expenses

SLDC has considered the A&G expenses approved for FY 2023-24 in the Tariff Order dated June 27, 2024, as the base A&G expenses. SLDC requested the Commission to approve the normative A&G expenses amounting to Rs. 0.42 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 Regulation 102 of the MYT Regulations, 2021. In the APR for FY 2024-25, the Commission has provisionally approved the normative O&M expenses based on the normative O&M expenses allowed in the true-up for FY 2023-24 and considering the applicable escalation indices.

Employee Expenses

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

a) The normative employee expenses approved for SLDC for FY 2023-24 in this Order have been considered as base expenses for FY 2024-25;
b) CPI inflation has been computed as average increase of CPI for the period from FY 2021-22 to FY 2023-24, which works out to 5.46%;
c) Growth factor of 1% has been considered as approved in the MYT Order, subject to actual increase in number of employees;
d) As regards the Additional Expense of Rs. 1 Crore sought by SLDC in the APR for FY 2024-25, the Commission had disallowed the same as the normative employee expenses have now caught up with the actual employee expenses, eliminating the need for the additional Rs. 1 Crore, which was initially considered to address the variation between normative and actual employee expenses and the projected increase in number of employees.

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

Table 23: Approved Employee Expenses for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
Base Employee Cost (n-1)	7.66	7.65	6.59
Avg CPI rate of preceding three years	5.32%	5.46%	5.46%
Growth Factor	1.00%	1.00%	1.00%
Normative Employee Cost	8.14	8.15	7.02
Additional Expense	1.00	1.00	0.00

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
Normative Employee Cost	**9.14**	**9.15**	**7.02**

R&M Expenses

5.2.9 For computation of normative R&M Expenses for FY 2024-25, the Commission has considered the following approach:

a) WPI inflation for computation of R&M Expenses works out to 7.23% as per MYT Regulations, 2021, based on average increase of WPI for the period from FY 2021-22 to FY 2023-24;

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) AMC Cost of SCADA/EMS of Rs. 0.88 Crore has been approved separately after removing it from normative R&M Expense of AEGCL.

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 and Rs. 1.23 Crore towards SAMAST AMC-GENUS and SAMAST AMC-PWC, respectively.

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

Table 24: Approved R&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
Opening GFA for previous year		5.65	5.78
Closing GFA for previous year		5.72	5.85
Average GFA for previous year		5.68	5.82
K Factor		1.00%	1.00%
WPI Inflation		7.22%	7.23%
R&M Expenses		0.06	0.06

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
AMC Cost for SCADA/EMS		0.88	0.88
Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room		0.10	0.10
Additional amount for enhancing cyber security		0.30	0.30
SAMAST AMC- GENUS		1.50	1.50
SAMAST AMC- PWC		1.23	1.23
R&M Expenses – SLDC	**3.65**	**4.07**	**4.07**

A&G Expenses

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

a) The normative A&G expenses approved for SLDC after true up for FY 2023-24 in this Order have been considered as base expenses for computation of normative A&G expenses for FY 2024-25;

b) As discussed in earlier para, the Commission has considered the WPI inflation of 7.23%.

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

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

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
A&G Expenses for Previous Year		0.39	0.39
WPI Inflation		7.22%	7.23%
A&G Expenses-SLDC	**1.19**	**0.42**	**0.42**

5.2.13 In view of the above, the Commission approves the normative O&M expenses in the

APR for FY 2024-25 as shown in the following Table:

Table 26: Approved O&M Expenses for FY 2024-25 (Rs. Crore)

Particulars	Approved in T.O. dt. 15.02.21	SLDC Submission	APR FY 2024-25
Employee Expenses	9.14	9.15	7.02
R&M Expenses	3.65	4.07	4.07
A&G Expenses	1.19	0.42	0.42
Total O&M Expenses	**13.98**	**13.64**	**11.51**

5.3 Capitalisation

5.3.1 The Commission had approved capitalisation of Rs. 16.20 Crore for FY 2024-25 for SLDC in the Tariff Order dated June 27, 2024. SLDC submitted that it expects to incur capitalisation of Rs. 0.59 Crore in FY 2024-25, which includes Rs. 0.35 Crore for Plant and machinery, Rs. 0.01 Crore for furniture and Rs. 0.23 Crore for office equipment. SLDC submitted that the entire capitalisation is envisaged to be funded through equity.

Commission's Analysis

5.3.2 The Commission has provisionally considered capitalisation for FY 2024-25 as claimed by SLDC. The funding of capitalisation has been considered in normative debt:equity ratio of 70:30, as shown in the following Table:

Table 27: Funding of capitalisation for FY 2024-25 as considered by the Commission (Rs. Crore)

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
Grant	15.25	-	-
Equity	-	0.59	0.18
Debt	0.95	-	0.41
Total Capitalisation	**16.20**	**0.59**	**0.59**

5.4 Depreciation

5.4.1 The Commission had approved the Depreciation of Rs. 0.27 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, SLDC has claimed depreciation of Rs. 0.36 Crore in the APR for FY 2024-25.

5.4.2 SLDC submitted that it has calculated Depreciation taking into consideration of opening balance of assets and provisional capitalisation during FY 2024-25. SLDC has computed Depreciation for assets excluding assets funded through grant mechanism.

Commission's Analysis

5.4.3 The Commission has considered the opening GFA for FY 2024-25 equivalent to the closing GFA for FY 2023-24 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 2024-25.

5.4.5 The depreciation provisionally approved for FY 2024-25 in APR is given in the Table below:

Table 28: Depreciation approved for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of deprecia tion	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	0.06		3.34%	0.00
6	Plant & Machinery	4.85	0.35	5.28%	0.26
7	Lines & Cable Net work	0.07	-	5.28%	0.00
8	Vehicles	-	-	9.50%	-
9	Furniture & Fixtures	0.17	0.01	6.33%	0.01
10	Office Equipment	0.32	0.23	6.33%	0.02
11	Computer and Accessories	0.03		15.00%	0.004
14	**Grand Total**	**5.85**	**0.59**		**0.29**
15	Less: Depreciation for Grants/ Consumer Contribution				0.11
16	**Net Total**				**0.19**

5.4.6 **The Commission provisionally approves Depreciation of Rs. 0.19 Crore after APR for FY 2024-25**.

5.5 Interest and Finance Charges

5.5.1 The Commission had approved Interest and Finance Charges of Rs. 0.01 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, SLDC has claimed Interest and finance Charges of Rs. 0.05 Crore for FY 2024-25.

Commission's Analysis

5.5.2 The Commission in the Tariff Order dated June 27, 2024 had approved the Interest and Finance Charges of Rs. 0.01 Crore on normative basis for FY 2024-25 as per MYT Regulations, 2021. The closing net normative loan of Rs. 0.77 Crore approved in the truing up for FY 2023-24 has been considered as the net normative loan as on April 1, 2024. 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, 2024. The weighted average interest rate has been considered as 6.83%, 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 2024-25 is shown in the following Table:

Table 29: Approved Interest on loan Capital for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
1	Net Normative Opening Loan	1.87	0.72	0.77
2	Addition of normative loan during the year	0.95	-	0.41
3	Normative Repayment during the year	0.27	0.36	0.19
4	Net Normative Closing Loan	2.55	0.36	0.99
5	Interest Rate	0.58%	9.92%	6.83%
6	**Total Interest and Finance Charges**	**0.01**	**0.05**	**0.06**

5.5.5 **The Commission provisionally approves Interest on loan Capital of Rs. 0.06**

Crore after APR for FY 2024-25.

5.6 Return on Equity

5.6.1 The Commission approved the RoE of Rs. 0.27 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, SLDC has claimed RoE of Rs. 0.27 Crore for FY 2024-25.

Commission's Analysis

5.6.2 The Commission has approved RoE for FY 2024-25 as per MYT Regulations, 2021. The equity as on April 1, 2024 has been considered equal to the closing equity approved in the Truing-up for FY 2023-24. The addition of equity has been considered equal to equity portion of capitalised works as approved by the Commission in this Order.

5.6.3 The RoE approved in the APR for FY 2024-25 is shown in the Table below:

Table 30: Return on Equity for FY 2024-25 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 27.06.2024	SLDC Submission	Approved after APR
1	Opening Equity Capital	1.73	1.71	1.70
2	Equity addition due to GFA addition			0.18
3	Less: Reduction during the year			-
4	Closing Equity	1.73	1.71	1.88
5	Average Equity	1.73	1.71	1.79
6	Rate of Return on equity	15.50%	15.50%	15.50%
7	**Return on Equity**	**0.27**	**0.27**	**0.28**

5.6.4 **Accordingly, the Commission provisionally approves RoE of Rs. 0.28 Crore after APR for FY 2024-25**.

5.7 Interest on Working Capital (IoWC)

5.7.1 The Commission approved IoWC of Rs. 0.69 Crore for FY 2024-25 in the Tariff Order dated June 27, 2024. As against this, SLDC has claimed normative IoWC of Rs. 0.67

Crore for FY 2024-25, calculated as specified in MYT Regulations, 2021.

Commission's Analysis

5.7.2 The Commission has computed IoWC in accordance with MYT Regulations, 2021. The rate of Interest has been considered equal to average SBI 1-year MCLR rate for the last six months at the time of filing of the Petition, plus 300 basis points, i.e., 11.85%. For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the revenue approved for FY 2024-25 in the Tariff Order for FY 2024-25. The IoWC approved by the Commission for FY 2024-25 is shown in the following Table:

Table 31: IoWC for FY 2024-25 as approved by the Commission (Rs. Crore)

Sl. No.	Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
1	O&M expenses for 1 month	1.16	1.15	0.96
2	Maintenance spares @ 15% of O&M Expenses	2.1	2.07	1.73
3	Receivables for two months	2.72	2.49	2.51
4	**Total Working Capital**	**5.98**	**5.70**	**5.19**
5	Rate of Interest	11.53%	11.83%	11.85%
6	**Interest on Working Capital**	**0.69**	**0.67**	**0.62**

5.7.3 **Accordingly, the Commission approves IoWC of Rs. 0.62 Crore after APR for FY 2024-25**.

5.8 Non-Tariff Income

5.8.1 SLDC has considered NTI of Rs. 0.21 Crore for FY 2024-25, by considering projected NTI in H2 of FY 2024-25 and actual NTI in H1 of FY 2024-25. The estimated NTI comprises income from Open Access applications, rental from contractors, and other charges.

Commission's Analysis

5.8.2 The Commission provisionally approves NTI for FY 2024-25 as Rs. 0.70 Crore after incorporating Notional Interest from SAMAST Fund retention, as detailed in the next Section. The actual NTI shall be considered at the time of truing up for FY 2024-25, subject to prudence check. The Commission has provisionally considered income from open access applications and Other Charges as projected by SLDC, as shown in the Table below:

Table 32: NTI approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Approved in Order dt. 27.06.2024	SLDC Submission	Approved after APR
Application fees and Other charges from STOA consumers		0.18	0.18
Rental from contractors/others		0.01	0.02
Rentals from staff quarters		0.02	0.04
Notional Interest from SAMAST Fund retention			0.46
Total	**0.18**	**0.21**	**0.70**

5.9 Status of SAMAST Fund

5.9.1 As detailed in the truing up for FY 2023-24, SLDC has a balance SLDC Fund of Rs. 6.40 Crore at the beginning of FY 2024-25. SLDC submitted that it has utilised/proposes to utilise Rs. 4.98 Crore out of this Fund for metering activities related to the SAMAST project. The Commission has hence, computed the notional interest on the balance amount of SLDC Fund, as shown in the Table below, and has added the same to the NTI.

Table 33: Status of SAMAST Fund at the end of FY 2024-25 (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening amount of Fund	5.78	6.40	6.40
Addition during the year	-	-	-
Utilisation during the year	-	-	4.98
Closing amount of fund	5.78	6.40	1.42
Working capital interest rate	10.80%	11.57%	11.85%
Interest on SAMAST Fund parked with SLDC	0.62	0.74	0.46

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Total amount of SLDC Fund available for utilisation at the end of the year	**6.40**	**6.40$**	**1.42**

***Note**: $ - The interest on the SAMAST Fund has been added to the NTI in FY 2023-24 and the SLDC Fund amount has been retained at the same level*

5.10 ARR after Annual Performance Review of FY 2024-25

5.10.1 Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2024-25 is shown in the following Table:

Table 34: ARR approved after APR for 2024-25 (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 27.06.2024	Proposed by SLDC	Approved after APR
1	O&M Expenses	13.98	13.64	11.51
1.1	*Employee Cost*	*9.14*	*9.15*	*7.02*
1.2	*R&M Expenses*	*3.65*	*4.07*	*4.07*
1.3	*A&G Expenses*	*1.19*	*0.42*	*0.42*
2	Depreciation	0.27	0.36	0.19
3	Interest & Finance Charges	0.01	0.05	0.06
4	Interest on Working Capital	0.69	0.67	0.62
5	Return on Equity	0.27	0.27	0.28
6	Less: Non-Tariff Income/ Other Income	0.18	0.21	0.70
7	**Aggregate Revenue Requirement**	**15.04**	**14.78**	**11.95**

5.11 Revenue Gap/(Surplus) for FY 2024-25

5.11.1 SLDC has claimed Revenue Surplus of Rs. 0.27 Crore after APR for FY 2024-25.

Commission's Analysis

5.11.2 The Commission has computed the Revenue Gap/(Surplus) arising out of APR for FY 2024-25 as shown in the following Table:

Table 35: Revenue Gap/(Surplus) after APR for FY 2024-25 (Rs. Crore)

Sl. No.	Particulars	Proposed by SLDC	Approved in APR
1	Net ARR	14.78	11.95
2	Revenue with Approved Tariff	15.04	15.04
3	**Revenue Gap/(Surplus)**	**(0.27)**	**(3.09)**

5.11.3 The APR reveals a Surplus of Rs. 3.09 Crore for FY 2024-25. It is only indicative, in the absence of Audited Annual Accounts for FY 2024-25. It will be considered during the Truing up process for FY 2024-25, after the Audited Annual Accounts are made available.

6 CAPITAL INVESTMENT PLAN OF SLDC FOR FY 2025-26 TO FY 2029-30

6.1 Capital Investment Plan of SLDC

6.1.1 SLDC has submitted the Capital Investment Plan (CIP), i.e., Capital Expenditure and Capitalisation for the Control Period from FY 2025-26 to FY 2029-30 against various Projects grouped under the following major Schemes, viz.,

Table 36: Summary of Capital Expenditure for FY 2025-26 to FY 2029-30 as submitted by SLDC (Rs. Crore)

S. N	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Building (New Main SLDC building)	0.83	-	-	-	-
2	Other Civil Works	0.40	1.15	1.00	1.00	1.00
3	Plant & Machinery	-	-	-	-	-
4	Lines & Cable Network etc.	0.09	0.02	0.02	0.02	0.02
5	Vehicles	-	-	-	-	-
6	Furniture & Fixtures	0.06	-	0.60	0.06	0.06
7	Office Equipment (AC installation, Firefighting, CCTV for back up SLDC	0.05	0.05	0.68	0.05	0.05
8	IT equipment (Desktop, Laptop & Printers)	0.10	0.05	0.05	0.05	0.05
9	SAMAST (Scheduling, Accounting, Metering and Settlement of Transaction)					
10	PROPOSED Upgradation of existing SCADA control centre	-	25.40	76.20	25.40	-
11	Security Operation Centre	-	-	6.00	6.00	-
12	Back Up SLDC Building at Samaguri, Assam	-	3.00	6.00	-	-
13	AMR of Existing Meter	-	8.00	-	-	-
14	**SLDC Total**	**1.53**	**37.67**	**90.55**	**32.58**	**1.18**

Table 37: Summary of Capitalisation for FY 2025-26 to FY 2029-30 (Rs. Crore)

S N	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Building (New Main SLDC building)	0.8	-	-	-	-
2	Other Civil Works	0.40	1.15	1.00	1.00	1.00
3	Plant & Machinery					

S N	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
4	Lines & Cable Network etc.	0.09	0.02	0.02	0.02	0.02
5	Vehicles	-	-	-	-	-
6	Furniture & Fixtures	0.06	-	0.60	0.06	0.06
7	Office Equipment (AC installation, Firefighting, CCTV for back up SLDC	0.05	0.05	0.68	0.05	0.05
8	IT equipment (Desktop, Laptop & Printers)	0.10	0.05	0.05	0.05	0.05
9	SAMAST (Scheduling, Accounting, Metering and Settlement of Transaction)	10.25	-	-	-	-
10	Proposed Upgradation of existing SCADA control centre	-	-	-	-	127.00
11	Security Operation Centre (SOC)	-	-	12.00	-	-
12	Back Up SLDC Building at Samaguri, Assam	-	-		9.00	-
13	AMR of Existing Meter	-	-	8.00		-
14	**SLDC Total**	**11.78**	**1.27**	**22.35**	**10.18**	**128.18**

6.1.2 The Scheme-Wise projects, year-wise capital expenditure and capitalization, mode of funding, and requirement of the project as submitted by SLDC are discussed in the following Sections, along with the Commission's analysis and approval.

6.1.3 **SAMAST Project**

The amount of Rs. 10.25 Crore for SAMAST is expected to be capitalized during FY 2025-26. The SAMAST project was commenced in the previous years and thus, the capital expenditure has been incurred since the day of inception. Hence, the project once capitalized, shall reflect higher capitalization than the incurred capital expenditure under projection for FY 2025-26.

6.1.4 **SCADA/EMS Upgradation (both main and backup control centre)**

a. **About the project**: Under this project, new SCADA/EMS system shall be established at existing SLDC. The new system shall replace the existing system without affecting the operation of the existing system. Furthermore, the project will also include delivery of equipment (software and hardware) for new backup SLDC, which will function as a Disaster Recovery Infrastructure.

b. **Requirement of the project**: The existing SCADA/EMS was upgraded in November 2015 and has completed its life-cycle of seven (07) years in November 2022 in compliance to the depreciation of 15% for IT Equipment and Software Systems specified by Central Electricity Regulatory Commission. Presently, the system is in a delicate state wherein the maintenance of the system has become near impossible task as spares and support from OEM is no longer available for a number of software modules and hardware installed.
c. **Financial implication**: Rs. 127 Crore (including one year warranty and 6 years AMC).
d. **Source of Funds**: 100% from PSDF Scheme.

6.1.5 **Construction of Back Up SLDC Building at Samaguri, Assam**

a. **About the project**: The backup control centre should replicate all essential features and functions of the main control centre, ensuring full access control for officials to operate the entire system seamlessly in the event of normal as well as emergency situation. The equipment (software and hardware) procured under the project mentioned above shall be installed in the Backup SLDC.
b. **Requirement of the project**: This concept of establishing Backup SLDCs was strongly recommended in the Capacity Building of Indian Load Despatch Centres (CABIL) report from Operational Planning, Disaster Recovery, Human Resource Adequacy etc., endorsed by the Central Electricity Regulatory Commission (CERC) and Forum of Regulators. Also, Disaster Management Plan for Power Sector prepared by Central Electricity Authority in fulfilment of provisions of Disaster Management Act, 2005, emphasized the need of establishing Back up EOC/ Control room.
c. **Financial Implication**: Rs. 9 Crore including GST.
d. **Source of Funds**: Initially placed for funding from PSDF. However, in the 86th TESG meeting, the proposal was declined for PSDF funding. In the last special meeting of RPC held on 04.11.2024, the Forum requested the constituents either to seek funding from their own source or try to find available infrastructure where the backup control centre can be established.

6.1.6 **Security Operation System**

a. **About the project**: The proposed Security Operation Centre (SOC) will help in collection of logs of various firewalls, Switches, routers, Servers, antivirus solutions, etc., from all IT and OT systems and will provide logs at single place for analysis and correlation. The availability of logs of all devices at single place will also help in real-time alerting and real-time monitoring of logs through advance dashboards and forensic analysis.

b. **Requirement of the project**: SLDC has been identified as a Critical Information Infrastructure (CII). As per "Information Security Practices and Procedures for Protected System, 2018" an entity having protected system shall establish a Cyber Security Operation Centre (C-SOC) using tools and technologies to implement preventive, detective and corrective controls to secure against advanced and emerging cyber threats.
c. **Financial Implication**: Rs. 12 Crore including GST (including one year warranty and one year AMC and manpower support).
d. **Source of Funds**: 100 % from PSDF.

6.1.7 AMR of Existing Meters

Details of the Project: The PSDF funded SAMAST project spans only 560 energy meters including Automatic Meter Reading (AMR) solution, which does not encompass the entire grid of AEGCL.

To address this gap, the Commission approved Rs. 5 Crore for the procurement of additional energy meters for AEGCL to replace the old non-ABT type energy meters at various grid substations. These meters will be used to facilitate proper segment-wise energy accounting across the grid, covering areas not included in the PSDF-funded SAMAST project.

In line with this, AEGCL has obtained 681 Secure Make 0.2s class energy meters using the SAMAST Fund of Rs 5 Crore. These meters will replace the old Non-ABT (Automatic Balancing and Accounting) energy meters across various grid substations. The procurement covers:

i) All 33 kV T-D interface meters,

ii) New substations under the NERPSIP project,

iii) The old energy meters at 220 kV and 132 kV voltage levels,

iv) ISTS (Inter-State Transmission System) points of AEGCL.

This AMR system will cover the said quantity meters along with Railway Traction and Open Access consumers. The total cost for this AMR system is approximately Rs 8 Crore. The proposed AMR system will include:

i) Installation of Data Concentrator Units,

ii) Development of a communication system,

iii) Networking of the energy meters through network switch wherever applicable,

iv) Deployment of the Central Data Collection System (CDCS)

v) Meter Data Acquisition Software, and

vi) Integration with the existing SAMAST modules.

This system will ensure the full coverage and functionality of all AEGCL energy meters, enabling accurate and automated data collection for energy accounting.

Funding for the same is under exploration.

6.1.8 **Additional Fund considered under Capital Expenditure and Capitalization**

- **Construction of Stores**: At present, there is no proper store available at SLDC. However, there is immense need of Store in order to house various materials like meters, spare servers, workstations, spares of different projects like SAMAST, SCADA, URTDSM and other miscellaneous materials. Hence, an approximate amount of Rs. 14 Lakh is estimated for the said work. The store must be ready before the upgradation of SCADA project starts, as supply of materials both for main and back-up SLDC is expected to start from the 4th quarter of FY 2025-26.
- **Renovation of SLDC building (both interior and exterior)**: The interior and exterior of SLDC building needs immediate repair and renovation work as the same has deteriorated significantly. Even the foundation pillars of the building have undergone immense deterioration due to aging and other factors. SLDC being the Load Despatch Centre of the State, visits of dignitaries of different power sector organizations of the country, viz., NERPC, NERLDC, NLDC, CEA, CERC, PGCIL, SLDCs across India and other significant players of Power sector are often witnessed. Hence, SLDC has approximated an amount for the same to be executed in FY 2025-26.
- **Car Parking**: Car parking is needed as the present parking area is not sufficient for the numbers of car present every day at SLDC premises. Estimate for the said work has been considered above.
- **DG Set Shed**: SLDC has a DG set at its outdoor but there is no shed available for the same. However, need of shed is highly felt as the longevity of DG set is affected by

the external weather condition like temperature, humidity, moisture, etc. The estimate for the same is considered above.

- **Construction of Parking approach road** (Earth filing, levelling and paver block for North East side, East Side and South Side has been considered above.
- **Renovation and repairing of Ground Floor Ladies toilet**: The ladies toilet repair and renovation work are extremely urgent as the condition of the same has deteriorated. Providing hygienic facility is an utmost necessity for the well-being of the employees, hence, SLDC has intended to execute the same in next FY.
- **Renovation of Boundary wall of SLDC building**: The boundary wall of SLDC is in deplorable condition and parts of the same has been repaired at minor level, time and again. However, considering security of the SLDC premises, complete renovation of the boundary wall is very much needed. Hence, the said work is intended to be executed during the MYT Period.
- **Construction of RCC slow sand water filter for SLDC building**: The existing RCC slow sand water filter has a leakage problem and has been found to be contributing towards the seepage problem of SLDC building. As such the existing RCC slow sand filter will be demolished and will be reconstructed at a different location within the premises of SLDC building. The work is intended to be executed during the MYT Period.

6.2 Capital Investment Plan approved by the Commission for FY 2025-26 to FY 2029-30

6.2.1 The Commission has analysed the details of different Schemes proposed by SLDC for the Control Period from FY 2025-26 to FY 2029-30, and observes as under:

(a) Most of the Schemes proposed by SLDC appear to be of essential nature, however, SLDC has been unable to undertake such level of capex in previous years.

(b) The Commission is of the opinion that SLDC should remain technologically updated and projects proposed should be executed if justified. SLDC should execute all projects based on competitive bidding so that the cost discovered could be justified.

(c) Thus, 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, etc.)**

(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.**

6.2.2 Maintenance of such project-wise database will help SLDC track the progress of the Project during execution as well as ensure that the Capitalisation as per Accounts tallies with the asset being physically put to use. SLDC should submit such Project-wise data to the Commission at the time of true-up for each Year, for the Projects that have been capitalised during that Year. SLDC should also justify the Projects proposed to be capitalised in the ensuing Year based on the above database.

6.3 Capitalisation approved by the Commission for FY 2025-26 to FY 2029-30

6.3.1 The Commission has approved the Capitalisation of Rs. 0.20 Crore for each year of the Control Period based on the past trend, for ARR and tariff purposes. Further, as SLDC expects to commission the SAMAST project in FY 2025-26, the Commission has considered the associated capitalisation of Rs. 10.25 Crore in FY 2025-26.

6.3.2 The Commission has thus, approved Capitalisation for the Control Period, for the purpose of approval of ARR and Tariff, as shown in the Table below:

Table 38: Summary of Capitalisation for 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Land					
Building	0.11	-	-	-	-
Other Civil Works	0.05	0.18	0.01	0.02	0.00
Plant & Machinery	-	-	-	-	-
Lines & Cable Network	0.01	-	-	-	-
Vehicles	-	-	-	-	-
Furniture & Fixtures	0.01	-	0.01	-	-
Office equipment (AC Installation, Firefighting, CCTV for Back up SLDC.	0.01	0.01	0.01	-	-
IT Equipment (Desktop Laptop and Printers)	0.01	0.01	-	-	-
SAMAST (Scheduling, Accounting, Metering and Settlement of Transaction)	10.25	-	-	-	-
Proposed Upgradation of existing SCADA control centre.	-	-	-	-	0.20
Security Operation centre.	-	-	0.11	-	-
Backup of SLDC Building at Samaguri, Assam	-	-	-	0.18	-
AMR Existing Meter	-	-	0.07	-	-
Total Capitalisation	**10.45**	**0.20**	**0.20**	**0.20**	**0.20**

6.3.3 The funding of capitalisation approved by the Commission is shown in the following Table:

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Grant/Consumer Contribution	10.25	-	0.18	0.18	0.20
Equity	0.06	0.06	0.01	0.01	-
Debt	0.14	0.14	0.01	0.02	-
Total Capitalisation	**10.45**	**0.20**	**0.20**	**0.20**	**0.20**

6.3.4 **Therefore, the Commission approves Capitalisation of Rs. 10.45 Crore for FY 2025-26 and Rs. 0.20 Crore each year of the Control Period from FY 2026-27 to**

FY 2029-30.

7 ARR for SLDC, MYT Control Period from FY 2025-26 to FY 2029-30

7.1 Introduction

7.1.1 This Chapter deals with the approval of ARR of SLDC for the MYT Control Period from FY 2025-26 to FY 2029-30 in accordance with the provisions of MYT Regulations, 2024.

7.2 Operation and Maintenance Expenses

7.2.1 SLDC submitted that O&M expenses of SLDC for FY 2025-26 to FY 2029-30 have been computed on the basis of revised estimates for FY 2024-25 and consist of 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:

7.2.2 **Inflation Indices**

7.2.3 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 2023-24, the Inflation factor could be computed till FY 2024-25. Hence, the resulting average WPI of 7.22% has been considered for projecting the O&M expenses for the Control Period.

7.2.4 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 2023-24, the Inflation factor could be computed till FY 2024-25. Hence, the resulting average CPI of 5.46% has been considered for projecting the O&M expenses for the Control Period.

Employee Expenses

7.2.5 SLDC submitted that the employee cost for the previous year has been considered as the base. The Gn (Growth Factor) of SLDC has been considered as 1.00% as the number of employees are projected to increase over the Control Period, as shown in the Table below:

Table 39: Manpower Details Projected by SLDC for FY 2025-26 to FY 2029-30 (Nos.)

Sl.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	Manpower as on 1st April (Opening Balance)	49	51	54	54	64
2	Retirement during the Fiscal Year	2	1	0	0	0
3	Recruitment during the Fiscal Year	4	4	0	10	10
4	Manpower as on 31st March (Closing balance)	51	54	54	64	74

7.2.6 SLDC prayed for additional expense for increase in number of employees as approved in the previous Control Period.

7.2.7 The computation of normative Employee Expenses projected by SLDC for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 40: Normative Employee Expenses Projected by SLDC for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Base Employee Cost (n-1)	9.15	10.75	12.45	14.26	16.19
2	Avg. CPI rate of preceding 3 years	5.46%	5.46%	5.46%	5.46%	5.46%
3	Gn (growth factor for nth year)	1.00%	1.00%	1.00%	1.00%	1.00%
4	**Normative Employee Cost**	**9.75**	**11.45**	**13.26**	**15.19**	**17.24**
5	Approved Additional Expense for increase in No. of Employees	1.00	1.00	1.00	1.00	1.00
6	**Normative Employee Cost**	**10.75**	**12.45**	**14.26**	**16.19**	**18.24**

R&M Expenses

7.2.8 SLDC submitted that AMC cost of SCADA / EMS amounts to Rs. 6.23 Crore. The AMC for the SCADA system expired on 11.11.2024. Since, the SCADA system upgrade under Phase-3 will take time, SLDC registered M/s GE T&D India Limited for a 2-year AMC extension, as per letter AEGCL/CGM/SLDC/T-145/22/14 dated 02.05.2024. M/s GE submitted an offer on 9th July 2024, but the commercial offer was too high and the scope was significantly reduced. M/s GE explained the high price due to the product's age, being over 10 years old, which is beyond the typical 7-8 years IT hardware lifespan. SLDC raised the issue in the NeTest forum of NERPC on 5th September 2024, and after three special meetings, M/s GE extended the scope slightly and reduced the price by 10% on 26th November 2024. Firewall AMC, Website Maintenance, Laptop/Desktop AMC, and maintenance of Access Control System for Server room amounting to Rs. 0.10 Crore have been projected for each year of the MYT Control Period.

Provision for Cyber Security

7.2.9 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, amount of Rs. 30 Lakh has been projected for each year of the MYT Control Period.

Provision for AMC for Genus and PwC for SAMAST project

7.2.10 The Commission in its Tariff Order dated 27.06.2024 for FY 2024-25, has approved Rs. 1.5 Crore and Rs. 1.23 Crore under the O&M (R&M expense) of SLDC for FY 2024-25 against SAMAST AMC (Both IT solution and Meter + AMR). The one-year defect liability period of SAMAST project was over on 30.06.2024, following which SLDC was supposed to award the Annual Maintenance Service contracts.

7.2.11 SLDC has however, not been able to award its AMC as per the timeline due to an unprecedented situation. SAMAST project was implemented under the leadership and guidance of NERPC, where right from tendering to awarding of LOA was done by NERPC, which also encapsulated certain terms and conditions of Annual Maintenance Contract if any constituent intends to go for AMC in its bid document.

7.2.12 Accordingly, the price of AMC was discovered and constituents like Assam and Meghalaya had duly signed for the same at that time and same has been approved by the Commission. Further, at the time of awarding AMC, other constituents including Meghalaya approached the NERPC forum raising high pricing of SAMAST AMC and it was clarified that if SLDC, Assam goes ahead in awarding the AMC with that price, other constituents will be bound to follow SLDC Assam. Any opportunity to cut down

AMC price will ultimately reduce the burden on consumer and hence, Assam SLDC unified itself with other constituents and approached NERPC to negotiate with the Party to come down to an amicable financial offer. However, even after lots of persuasion, no fruitful result could be yield.

7.2.13 Therefore, now culminating to the fact that SAMAST system without AMC may float in the vulnerability area specially when cyber security, integrating with other systems, and regulatory demand changes, it is finally decided to go ahead with the already agreed upon AMC price with certain benefits enhanced in its AMC offer. The awarding process for the same is going on and will be completed during H2 of FY 2024-25.

Provision for Major Changes on SAMAST Software Module

7.2.14 SLDC submitted that under SAMAST project through PSDF scheme, PwC Limited has developed 7 Nos. of Software Application for easing the day-to-day work of System Operation, Market Operation, Metering & Accounting, Report preparation & website, etc., of SLDC.

7.2.15 The scope of the SAMAST project includes accommodation of necessary modifications / changes, which may require time to time for alteration in business logics due to any Central or State level policy/guidelines, CERC or SERC Regulations/Orders/Guidelines and decision of SLDC management. These modifications may be reported time to time during ATS period. The changes requested post go-live of the software modules will be considered as a Change Request (CR).

7.2.16 In view of the above, for any new Change Request, SLDC will communicate the same to the Service Provider along with details of data inputs, workflows to be developed, new user interfaces, reporting, integrations, etc. SLDC and Service Provider will have joint discussions to finalise the requirements and changes to be made to the Software along with the timeline. Once the Change Requirements are finalized, Service Provider will submit effort estimates in Man-days as per the quoted ATS price of M/s PwC.

7.2.17 In the view of the above, SLDC requested the Commission to consider Rs. 0.14 Crore, Rs. 0.16 Crore, Rs. 0.17 Crore, Rs. 0.19 Crore and Rs. 0.21 Crore for FY 2025-26 to FY 2029-30, respectively.

Provision for AMC for SOC

7.2.18 SLDC has been identified as a Critical Information Infrastructure (CII) by Govt of Assam. As per “Information Security Practices and Procedures for Protected System, 2018” an entity having protected system shall establish a Cyber Security Operation Centre (C-SOC) using tools and technologies to implement preventive, detective and corrective controls to secure against advanced and emerging cyber threats.

7.2.19 As such, SLDC has already prepared DPR and submitted the same to NLDC for funding. As per the Model BOQ for SOC by PSDF, after awarding of LOA, the project completion time is 24 months followed by 1st AMC and 2nd AMC, which will be totally funded by PSDF. The tentative date of completion of project is July 2027 and two years of AMC, i.e., FY 2027-28 and FY 2028-29 amounting to Rs 85 lakh each year. Hence, considering an escalation of Rs 15 lakh, AMC amounting to Rs 1.00 Crore has been considered for FY 2029-30.

Provision for AMC for Central AC for SLDC

7.2.20 The Central Air Conditioning (AC) system for the SCADA servers, Control Room, and Workstations of the SLDC has been in place for almost 10 years. Over this period, the system faced several issues and was found to be problematic in maintaining the optimal environment for efficient functioning. To address these issues, the old system was replaced with a new Carrier Brand Central AC system in January 2024.

7.2.21 SLDC requested the Commission to approve the proposed provision of AMC of Central AC of Rs. 0.02 Crore for each year of the Control Period.

K Factor for Control Period

7.2.22 The closing GFA for FY 2024-25 has been considered as opening GFA for FY 2025-26. The “K” factor of SLDC has been considered as 1% as approved by the Commission in the MYT Order dated 21.03.2022 for FY 2022-23 to FY 2024-25.

7.2.23 The computation of normative R&M Expenses projected by SLDC for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 41: Normative R&M Expenses Projected by SLDC for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA for previous year	5.72	6.31	18.09	19.36	41.71
2	Closing GFA for previous year	6.31	18.09	19.36	41.71	51.89
3	Average GFA for previous year	6.01	12.20	18.72	30.53	46.80
4	K Factor	1.00%	1.00%	1.00%	1.00%	1.00%
5	WPI Inflation	7.22%	7.22%	7.22%	7.22%	7.22%
6	**Normative R&M Expenses**	**0.06**	**0.13**	**0.20**	**0.33**	**0.50**
7	AMC Cost of SCADA/EMS	1.15	1.27	1.27	1.27	1.27
8	Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room	0.10	0.10	0.10	0.10	0.10
9	Additional amount for enhancing Cyber Security	0.30	0.30	0.30	0.30	0.30
10	SAMAST AMC- GENUS	1.50	1.50	1.50	1.50	1.50
11	SAMAST AMC- PWC	1.23	1.23	1.23	1.23	1.23
12	Major changes for SAMAST App modules	0.14	0.16	0.17	0.19	0.21
13	AMC cost for SOC					1.00
14	AMC for Central AC for SLDC	0.02	0.02	0.02	0.02	0.02
15	**Net Normative R&M Expenses**	**4.50**	**4.71**	**4.79**	**4.94**	**6.13**

A&G Expenses

7.2.24 SLDC has considered the normative A&G expenses for FY 2024-25 as base A&G expense for the Control Period and escalated the same by WPI escalation of 7.22%. The computation of normative A&G Expenses projected by SLDC for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below:

Table 42: Normative A&G Expenses Projected by SLDC for FY 2025-26 to FY 2029-30 (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	A&G Expenses for previous year	0.42	0.45	0.48	0.51	0.55
2	Avg. WPI rate	7.22%	7.22%	7.22%	7.22%	7.22%
3	**Normative A&G Expenses**	**0.45**	**0.48**	**0.51**	**0.55**	**0.59**

Commission's Analysis

7.2.25 The Commission has computed the O&M Expenses for the Control Period on normative basis as per MYT Regulations, 2024. 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 MYT Regulations, 2024 at the time of truing up for respective year.

7.2.26 For computation of employee expenses for Control Period, the Commission has adopted the following approach:

a) The average of actual employee expenses for the period from FY 2021-22 to FY 2023-24 has been escalated by applicable CPI inflation factor for FY 2023-24 and FY 2024-25, to derive the base expense for FY 2024-25, which works out to Rs. 6.92 Crore;
b) The base employee expenses for FY 2024-25 have been escalated by applicable CPI inflation for FY 2021-22 to FY 2023-24, which works out to 5.46%;
c) Considering the projected increase in number of employees over the Control Period, growth factor of 1% has been considered;
d) As regards the Additional Expense of Rs. 1 Crore sought by SLDC, the Commission had disallowed the same as the normative employee expenses have now caught up with the actual employee expenses, eliminating the need for the additional Rs. 1 Crore that was initially considered to address any discrepancies.

7.2.27 The normative employee expenses approved for the Control Period are shown in the following Table:

Table 43: Approved Employee Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Base Employee Expenses	6.92	7.37	7.85	8.36	8.90

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
CPI Inflation	5.46%	5.46%	5.46%	5.46%	5.46%
Growth factor	1.00%	1.00%	1.00%	1.00%	1.00%
Normative Employee Cost	7.37	7.85	8.36	8.90	9.48
Approved Additional Expense	0.00	0.00	0.00	0.00	0.00
Normative Employee Cost for the Control Period	**7.37**	**7.85**	**8.36**	**8.90**	**9.48**

7.2.28 For computation of R&M Expenses for the Control Period, the Commission has considered the following approach:

a) WPI inflation has been computed for FY 2021-22 to FY 2023-24, which works out to 7.23%;

b) K-factor governs the relationship between R&M expenses and Gross Fixed Assets. The Commission has analysed the relationship between approved R&M expenses and Gross Fixed Assets for the period from FY 2021-22 to FY 2023-24. The K-factor for the Control Period has been considered as average of K-factor computed for FY 2021-22 to FY 2023-24, as shown in the following Table:

Table 44: Computation of K-factor for Control Period (Rs. Crore)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Actual R&M Expenses	0.19	0.09	0.24
2	Average GFA of previous year	5.70	5.82	6.15
3	K-Factor	3.34%	1.55%	3.93%
4	**K-Factor for Control Period**	**2.94%**		

c) Since, K-factor has been computed on the basis of average GFA, for projection of R&M expenses for the Control Period, average GFA for previous years has been considered;

d) AMC Cost of SCADA/EMS has been approved separately after removing it from normative R&M Expense of SLDC;

e) Firewall and Laptop AMC, Website maintenance, etc., have provisionally been allowed separately as claimed by SLDC. The Commission would take a view on this expense separately during True up based on actual expenditure and prudence check;

f) The Commission has provisionally allowed the same amount projected by SLDC for Cyber Security and SAMAST AMC;

g) The Commission has not allowed the amount under Major changes for SAMAST App modules, as this is incidental expense which should be done under Normative R&M Expense;

h) The Commission has provisionally allowed the AMC for Central AC for SLDC as projected by SLDC for the Control Period.

7.2.29 The normative R&M expenses approved for the Control Period are shown in the following Table:

Table 45: Approved R&M Expenses for Control Period (Rs. Crore)

Sl.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA for previous year	5.85	6.44	16.89	17.09	17.29
2	Closing GFA for previous year	6.44	16.89	17.09	17.29	17.49
3	Average GFA for previous year	6.15	11.67	16.99	17.19	17.39
4	K Factor	2.94%	2.94%	2.94%	2.94%	2.94%
5	WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
6	**Normative R&M Expenses**	**0.19**	**0.37**	**0.53**	**0.54**	**0.55**
7	AMC Cost of SCADA/EMS	1.15	1.27	1.27	1.27	1.27
8	Firewall AMC, Website Maintenance, Laptop/Desktop AMC, maintenance of Access Control System for Server room	0.10	0.10	0.10	0.10	0.10
9	Additional amount for enhancing Cyber Security	0.30	0.30	0.30	0.30	0.30
10	SAMAST AMC- GENUS	1.50	1.50	1.50	1.50	1.50
11	SAMAST AMC- PWC	1.23	1.23	1.23	1.23	1.23
12	Major changes for SAMAST App modules	-	-	-	-	-
13	AMC cost for SOC	-	-	-	-	1.00
14	AMC for Central AC for SLDC	0.02	0.02	0.02	0.02	0.02
15	**Net Normative R&M Expenses**	**4.49**	**4.78**	**4.95**	**4.96**	**5.97**

7.2.30 For computation of A&G expenses for the Control Period, the Commission has adopted the following approach:

a) The average of actual A&G expenses for the period from FY 2021-22 to FY 2023-24 has been escalated by applicable WPI inflation factor for FY 2023-24 and FY 2024-25, to derive the base expense for FY 2024-25, which works out to Rs. 0.58 Crore;

b) WPI inflation has been computed for FY 2021-22 to FY 2023-24, which works out to 7.23%.

7.2.31 The approved A&G expenses for the Control Period are shown in the following Table:

Table 46: Approved A&G Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
A&G Expenses for Previous Year	0.58	0.62	0.66	0.71	0.76
WPI Inflation	7.23%	7.23%	7.23%	7.23%	7.23%
Normative A&G Expenses	**0.62**	**0.66**	**0.71**	**0.76**	**0.82**

7.2.32 The summary of **normative O&M expenses approved by the Commission for the Control Period from FY 2025-26 to FY 2029-30 is shown in the Table below**:

Table 47: Approved O&M Expenses for Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Employee Expenses	7.37	7.85	8.36	8.90	9.48
R&M Expenses	4.49	4.78	4.95	4.96	5.97
A&G Expenses	0.62	0.66	0.71	0.76	0.82
O&M Expenses	**12.48**	**13.29**	**14.02**	**14.62**	**16.27**

7.3 Capitalisation

7.3.1 The Capital Investment Plan projected by SLDC has been elaborated in the previous Chapter.

7.3.2 SLDC submitted that the funding of Capital Expenditure is envisaged through Grants and Equity, as per funding pattern of the respective Schemes, as shown in the following Table:

Table 33: Capital Expenditure and Capitalisation submitted by SLDC (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Capital Expenditure	1.53	37.67	90.55	32.58	1.18
Capitalisation	**11.78**	**1.27**	**22.35**	**10.18**	**128.18**
Funding of Capitalisation					
Grant	10.25	-	20.00	9.00	127.00
Equity	1.53	1.27	2.35	1.18	1.18
Debt	-	-	-	-	-

Commission's Analysis

7.3.3 The Commission has approved the Scheme-wise Capital Expenditure and Capitalisation as elaborated in the previous Chapter. Accordingly, the Commission has considered Capitalisation as shown in the Table below:

Table 48: Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Capitalisation	10.45	0.20	0.20	0.20	0.20

7.3.4 The funding of capitalised works as approved by the Commission is shown in the following Table:

Table 49: Funding of Capitalisation approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Grant/Consumer Contribution	10.25	-	0.18	0.18	0.20
Equity	0.06	0.06	0.01	0.01	-
Debt	0.14	0.14	0.01	0.02	-
Total Capitalisation	**10.45**	**0.20**	**0.20**	**0.20**	**0.20**

7.4 Depreciation

7.4.1 SLDC submitted that depreciation has been computed as per MYT Regulations, 2024 for the Control Period. Depreciation has been calculated taking into consideration the opening balance of assets for the respective year and the projected capitalization. The Closing GFA for FY 2024-25 has been considered as the opening GFA for FY 2025-26. As specified in MYT Regulations, 2024, depreciation is calculated as per SLM at the rates specified in the MYT Regulations, 2024 considering depreciation to the extent of 90% of the Asset Value. The Depreciation of assets created through Grant has been reduced before arriving at Net depreciation

7.4.2 SLDC claimed the depreciation of Rs. 0.28 Crore, Rs. 0.36 Crore, Rs. 0.34 Crore, Rs. 0.54 Crore, and Rs. 0.39 Crore for FY 2025-26 to FY 2029-30, respectively.

Commission's Analysis

7.4.3 For computation of depreciation, the Commission has considered the closing GFA for FY 2024-25 as approved in this Order, as the Opening GFA for FY 2025-26. The capitalisation approved for the respective years of the Control Period has been considered as asset addition during the year. The Commission has considered the depreciation rates as specified in Appendix I (for existing assets) and Appendix II (for new assets) to the MYT Regulations, 2024.

7.4.4 As per the MYT Regulations, 2024, 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 capped the depreciation on assets at 90% of the original cost of asset under different asset heads.

7.4.5 In line with the approach adopted in the previous Orders and as specified in the MYT Regulations, 2024, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for the Control Period.

7.4.6 In view of the above, **the Commission has approved depreciation for the period from FY 2025-26 to FY 2029-30 as per MYT Regulations, 2024, as given in the Tables below**:

Table 50: Depreciation approved for FY 2025-26 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-	-		-
2	Building	0.35	0.11	3.34%	-
3	Hydraulic	-		5.28%	-
4	Other Civil Works	0.06	0.05	3.34%	0.00
5	Plant & Machinery	5.20	10.25	4.22%	0.48

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
6	Lines & Cable Network	0.07	0.01	4.22%	0.00
7	Vehicles	-		9.50%	-
8	Furniture & Fixtures	0.18	0.01	6.33%	0.01
9	Office Equipment	0.55	0.02	6.33%	0.03
10	Computer and accessories	0.03		15.00%	0.00
11	**Grand Total**	**6.44**	**10.45**		**0.53**
12	Less: Depreciation for Grants/Consumer Contribution				0.33
13	**Net Depreciation**				**0.20**

Table 51: Depreciation approved for FY 2026-27 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-			-
2	Building	0.46		3.34%	-
3	Hydraulic	-		5.28%	-
4	Other Civil Works	0.11	0.18	3.34%	0.01
5	Plant & Machinery	15.45	-	4.22%	0.47
6	Lines & Cable Network	0.08	-	4.22%	0.00
7	Vehicles	-		9.50%	-
8	Furniture & Fixtures	0.19	-	6.33%	0.01
9	Office Equipment	0.57	0.02	6.33%	0.03
10	Computer and accessories	0.03		15.00%	0.00
11	**Grand Total**	**16.89**	**0.20**		**0.52**
12	Less: Depreciation for Grants/Consumer Contribution				0.38
13	**Net Depreciation**				**0.14**

Table 52: Depreciation approved for FY 2027-28 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-			-
2	Building	0.46		3.34%	-
3	Hydraulic	-		5.28%	-
4	Other Civil Works	0.29	0.12	3.34%	0.01
5	Plant & Machinery	15.45	0.07	4.22%	0.47
6	Lines & Cable Network	0.09	-	4.22%	0.00
7	Vehicles	-		9.50%	-
8	Furniture & Fixtures	0.19	0.01	6.33%	0.01
9	Office Equipment	0.59	0.01	6.33%	0.03
10	Computer and accessories	0.03		15.00%	0.00
11	**Grand Total**	**17.09**	**0.20**		**0.53**
12	Less: Depreciation for Grants/Consumer Contribution				0.39
13	**Net Depreciation**				**0.14**

Table 53: Depreciation approved for FY 2028-29 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-			-
2	Building	0.46	0.18	3.34%	-
3	Hydraulic	-		5.28%	-
4	Other Civil Works	0.41	0.02	3.34%	0.02
5	Plant & Machinery	15.52	-	4.22%	0.47
6	Lines & Cable Network	0.09	-	4.22%	0.00
7	Vehicles	-		9.50%	-
8	Furniture& Fixtures	0.20	-	6.33%	0.01

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
9	Office Equipment	0.59	-	6.33%	0.03
10	Computer and accessories	0.03		15.00%	0.00
11	**Grand Total**	**17.29**	**0.20**		**0.53**
12	Less: Depreciation for Grants/Consumer Contribution				0.39
13	**Net Depreciation**				**0.14**

Table 54: Depreciation approved for FY 2029-30 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	-			-
2	Building	0.63		3.34%	-
3	Hydraulic	-		5.28%	-
4	Other Civil Works	0.43	-	3.34%	0.02
5	Plant & Machinery	15.52	0.20	4.22%	0.46
6	Lines & Cable Network	0.09	-	4.22%	0.00
7	Vehicles	-		9.50%	-
8	Furniture& Fixtures	0.20	-	6.33%	0.01
9	Office Equipment	0.59	-	6.33%	0.03
10	Computer and accessories	0.03		15.00%	0.00
11	**Grand Total**	**17.49**	**0.20**		**0.53**
12	Less: Depreciation for Grants/Consumer Contribution				0.39
13	**Net Depreciation**				**0.14**

7.5 Interest on Loan Capital

7.5.1 SLDC has considered the closing net normative loan for FY 2024-25 as per its submissions, as the opening net normative loan for FY 2025-26 and the same has been computed for the subsequent years. SLDC submitted that the loan addition during FY 2025-26 to FY 2029-30 has been considered as per the funding of the Capital Investment Plan. The normative repayment has been considered equal to the depreciation. The weighted average interest rate has been considered as 9.92% for each year of the Control Period.

7.5.2 Accordingly, SLDC has projected the Interest and Finance Charges for FY 2025-26 to FY 2029-30 as Rs. 0.02 Crore for FY 2025-26 and NIL for FY 2026-27 to FY 2029-30.

Commission's Analysis

7.5.3 The Commission has considered the opening net normative loan as on April 1, 2025 as Rs. 0.99 Crore, based on the closing net normative loan provisionally approved in the APR of FY 2024-25. 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.

7.5.4 The weighted average rate of Interest of 6.83% applicable for FY 2024-25 has been considered for computing the normative interest for each year of the Control Period. **The interest on loan capital as approved by the Commission for the Control Period is shown in the following Table**:

Table 55: Approved Interest on Loan for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Net Normative Opening Loan	0.99	0.94	0.94	0.81	0.68
Addition of normative loan during the year	0.14	0.14	0.01	0.02	0.00
Normative Repayment during the year	0.20	0.14	0.14	0.14	0.14
Net Normative Closing Loan	0.94	0.94	0.81	0.68	0.54
Interest Rate	6.83%	6.83%	6.83%	6.83%	6.83%
Interest Expenses	**0.07**	**0.06**	**0.06**	**0.05**	**0.04**
Finance Charges					
Total Interest and Finance Charges	**0.07**	**0.06**	**0.06**	**0.05**	**0.04**

7.6 Return on Equity

7.6.1 SLDC submitted that the Return on Equity has been computed at 15.50% on closing balance of equity based upon the opening balance of equity and normative equity addition during the year. Accordingly, SLDC has projected the RoE as Rs. 0.27 Crore for each year from FY 2025-26 to FY 2029-30.

Commission's Analysis

7.6.2 The Commission has approved the RoE in accordance with the MYT Regulations, 2024. The equity as on April 1, 2025 has been considered equal to the closing equity approved in the APR of FY 2024-25. The addition of equity has been considered equal to equity portion of capitalised works as approved by the Commission in this Order.

7.6.3 **The Commission has approved the RoE at 15.50% as shown in the Table below:**

Table 56: Return on Equity approved by the Commission for the Control Period (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Opening Equity	1.88	1.94	2.00	2.00	2.01
Addition due to Capitalisation	0.06	0.06	0.01	0.01	0.00
Less: Reduction during the year	-	-	-	-	-
Equity (Closing Balance)	1.94	2.00	2.00	2.01	2.01
Average Equity	1.91	1.97	2.00	2.01	2.01
Rate of Return on Equity	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	**0.30**	**0.31**	**0.31**	**0.31**	**0.31**

7.7 Interest on Working Capital

7.7.1 SLDC submitted that the normative IoWC has been computed in accordance with the MYT Regulations, 2024. The rate of interest provided on the working capital is the normative interest rate of 300 basis points above the average SBI 1-year MCLR prevalent during last available six months for the determination of tariff. Accordingly, SLDC has projected the IoWC as Rs. 0.68 Crore, Rs. 0.77 Crore, Rs. 0.85 Crore, Rs. 0.94 Crore, and Rs. 1.08 Crore for FY 2025-26 to FY 2029-30, respectively.

Commission's Analysis

7.7.2 The Commission has computed normative IoWC in accordance with the MYT

Regulations, 2024. The rate of Interest has been considered equal to State Bank of India MCLR (One Year Tenor) prevalent during last 6 months plus 300 basis points i.e., 11.85%. For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the ARR approved for each year of the Control Period in this Order. **Normative IoWC approved by the Commission for the Control Period is shown in the following Table**:

Table 57: IoWC approved by the Commission for the Control Period (Rs. Crore)

Sr. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
1	O&M expenses for 1 month	1.04	1.11	1.17	1.22	1.36
2	Maintenance spares @ 15% of O&M Expenses	1.87	1.99	2.10	2.19	2.44
3	Receivables for 45 days	1.03	1.74	1.83	1.91	2.12
4	**Total Working Capital**	**3.94**	**4.84**	**5.10**	**5.32**	**5.91**
5	Rate of Interest	11.85%	11.85%	11.85%	11.85%	11.85%
6	**Interest on Working Capital**	**0.47**	**0.57**	**0.60**	**0.63**	**0.70**

7.8 Non-Tariff Income

7.8.1 SLDC has projected the Non-Tariff Income as Rs. 0.21 Crore for each year of the Control Period from FY 2025-26 to FY 2029-30. The projected income consists of Open Access applications, rental from contractors, and other charges.

Commission's Analysis

7.8.2 The Commission has approved the Non-Tariff Income for each year of the Control Period from FY 2025-26 to FY 2029-30 by considering a 5% escalation on the NTI estimated for FY 2024-25. Additionally, the Commission has computed Notional Interest from SAMAST Fund retention, as detailed in the next Section. The actual Non-Tariff Income shall be considered at the time of truing up for each year of the Control Period, after prudence check. **The Commission approves the Non-Tariff Income as shown in the following Table below**:

Table 58: Non-Tariff Income as approved by the Commission (Rs. Crore)

Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Non-Tariff Income	1.76	0.26	0.27	0.29	0.30

7.9 Status of SAMAST Fund

7.9.1 As detailed in the APR of FY 2024-25, SLDC is projected to have balance SLDC Fund of Rs. 1.42 Crore at the end of FY 2024-25. SLDC has not proposed any expenditure against this Fund for the Control Period from FY 2025-26 to FY 2029-30. Hence, the Commission has considered the entire balance SLDC Fund along with the notional interest as NTI in FY 2025-26, thereby utilising the entire SLDC Fund by FY 2025-26.

Table 59: Status of SAMAST fund at the end of FY 2025-26 (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening amount of fund	6.40	6.40	1.42
Addition during the year	-	-	0
Utilisation during the year	-	4.98	1.42@
Closing amount of fund	6.40	1.42	-
Working capital interest rate	11.57%	11.85%	11.85%
Interest on SAMAST fund parked with SLDC	0.74	0.46	0.08
Total amount of SLDC Fund available for utilisation at the end of the year	**6.40$**	**1.42**	**-**

Note*: $ - The interest on the SAMAST Fund has been added to the NTI in FY 2023-24 and the SLDC Fund amount has been retained at the same level*

@ - The entire balance SLDC Fund has been considered as NTI and considered as utilised completely in FY 2025-26.

7.10 Summary of ARR for Control Period from FY 2025-26 to FY 2029-30

7.10.1 The summary of ARR as submitted by SLDC and as approved by the Commission for the Control Period is given in the Table below:

Table 60: ARR of SLDC for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Proposed by SLDC	**Approved**	**Proposed by SLDC**	**Approved**	**Proposed by SLDC**	**Approved**	**Proposed by SLDC**	**Approved**	**Proposed by SLDC**	**Approved**
1	O&M Expenses	15.70	12.48	17.63	13.29	19.56	14.02	21.67	14.62	24.96	16.27
a	*Employee Cost*	*10.75*	*7.37*	*12.45*	7.85	*14.26*	8.36	*16.19*	8.90	*18.24*	9.48
b	*R&M Expenses*	*4.50*	*4.49*	*4.71*	4.78	*4.79*	4.95	*4.94*	4.96	*6.13*	5.97
c	*A&G Expenses*	*0.45*	*0.62*	*0.48*	0.66	*0.51*	0.71	*0.55*	0.76	*0.59*	0.82
2	Depreciation	0.28	0.20	0.36	0.14	0.34	0.14	0.54	0.14	0.39	0.14
3	Interest and Finance Charges	0.02	0.07	0.00	0.06	0.00	0.06	0.00	0.05	0.00	0.04
4	Interest on Working Capital	0.68	0.47	0.77	0.57	0.85	0.60	0.94	0.63	1.08	0.70
5	Return on Equity	0.27	0.30	0.27	0.31	0.27	0.31	0.27	0.31	0.27	0.31
6	Less: Non-Tariff Income	0.21	1.76	0.21	0.26	0.21	0.27	0.21	0.29	0.21	0.30
7	**Aggregate Revenue Requirement**	**16.73**	**11.74**	**18.83**	**14.12**	**20.80**	**14.87**	**23.21**	**15.47**	**26.49**	**17.16**

8 Annual SLDC Charges for FY 2025-26

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

8.1.1 SLDC submitted the cumulative Revenue Gap/(Surplus) after Truing up of FY 2023-24 and based on the projected ARR of FY 2025-26, as shown in the Table below:

Table 61: SLDC Charges proposed by SLDC for FY 2025-26 (Rs. Crore)

Particulars	Amount
Revenue Gap/(Surplus) for FY 2023-24	(1.17)
Carrying/(Holding) cost on Revenue Gap/(Surplus) for FY 2023-24	(0.28)
Total Revenue Gap/(Surplus)	**(1.45)**
Standalone Revenue Requirement for FY 2025-26	16.73
Net Annual Revenue Requirement	**15.28**
Peak Demand (MW)	2,952.70
SLDC Charge (Rs./MW/Day)	**141.80**

Commission's Analysis

8.1.2 For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2023-24 as approved in this Order, along with Carrying/(Holding)Cost.

8.1.3 The Revenue Gap/(Surplus) approved for recovery in FY 2025-26 is shown in the Table below:

Table 62: Revenue Gap/(Surplus) for FY 2023-24 approved for recovery/adjustment in FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	SLDC	Approved after truing up
1	Net ARR	10.10	8.93	7.37
2	Revenue from SLDC Charges	10.10	10.10	10.10
3	Gap/(Surplus)	-	(1.17)	(2.73)
4	Carrying/(Holding) cost	-	(0.28)	(0.64)

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

Table 63: Carrying/ (Holding) Cost for Revenue Gap/(Surplus) for FY 2023-24 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Balance	-	(2.73)	(2.73)
2	Recovery /(Addition) during year	2.73	-	(2.73)
3	Closing balance	(2.73)	(2.73)	-
4	Rate of Interest (%)	11.57%	11.85%	11.85%
5	Carrying /(holding) Cost	(0.16)	(0.32)	(0.16)
	Total Gap/(Surplus) including Carrying/(Holding) Cost	**(3.37)**		

8.1.5 The total Revenue Surplus including Holding Cost works out to Rs 3.37 Crore.

Pass though of Revenue Surplus to APDCL

8.1.6 **The Commission approves the cumulative Revenue Surplus of SLDC as Rs 3.37 Crore. This Surplus is to be passed through to APDCL in twelve monthly equal instalments of Rs 0.281 Crore in FY 2025-26 as adjustment to the monthly bills.**

8.2 SLDC tariff for FY 2025-26

8.2.1 ARR of SLDC approved for FY 2025-26 is Rs. 11.74 Crore, which is allocated to APDCL as single user.

8.2.2 However, the SLDC charges to be charged for any other Long-term/Medium-term Open Access Consumers are as given below:

Table 64: SLDC Charges approved by the Commission for FY 2025-26

Sl. No.	Particulars	UoM	Amount
1	Net ARR – SLDC	Rs. Crore	11.74
2	Maximum Contracted Capacity	MW	2,952.70
3	SLDC Charges for LTOA/MTOA Consumers	Rs./MW/day	108.97

Approved SLDC charges to be recovered from APDCL for FY 2025-26 is Rs. 11.74 Crore.

The approved SLDC charges for Long-term/Medium-term Open Access Consumers for FY 2025-26 are Rs. 108.97 per MW per day.

8.2.3 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.

8.2.4 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, 2024. This revenue shall be adjusted against the ARR.

9 Applicability of Tariff

9.1.1 The approved Transmission tariff and SLDC Charges for FY 2025-26 shall be effective from April 1, 2025, and shall continue until replaced by any subsequent Order of the Commission.

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

10 Directives

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 June 27, 2024, 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:

Status of compliance of directives in the Tariff Order dated June 27, 2024

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 30th September and 31st March).

SLDC Submission

SLDC submitted that the report on manpower planning has been submitted to the Commission on 30.09.2024

Commission's Views

The Commission notes the submission of SLDC and directs it to submit detailed updated manpower planning in Tariff Petitions of each year of the next Control Period also. SLDC should also ensure suitable manpower planning so that its Finance and Accounts section can work independently from AEGCL, and billing of SLDC Charges is done by SLDC rather than by AEGCL

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 30th September and 31st March).

SLDC Submission

SLDC submitted that, the Special Fund approved by the Commission has already been utilized. Status of the same has been submitted to the Commission on 30.09.2024.

Commission's Views

The Commission notes the submission of SLDC. Appropriate treatment has been provided in the relevant part of this Order.

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.

SLDC Submission

SLDC submitted that the Backup SLDC is going to be situated at 220 kV Samaguri GSS as confirmed by MD, AEGCL. The fund to build the Back-up SLDC building was proposed for 100% PSDF funding by all the NER States, but was rejected recently by PSDF committee and Utilities were asked to do the civil part from own source funds. At present AEGCL is in process of preparing the Estimate along with finding the source of funds. Therefore, the Rs. 15 lakh allotted to SLDC will be utilized by SLDC for proper architecture of the building only after the estimate is prepared along with finalization of the source of fund.

Commission's Views

The Commission notes the submission of SLDC on this regard. The Commission also notes that SLDC is not planning to utilise this Fund in FY 2024-25.

New Directives:

The Commission hereby issues the following new directives to SLDC:

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 detailed updated manpower planning in Tariff Petitions for each year of the next Control Period. SLDC should also ensure suitable manpower planning so that its Finance and Accounts section can work independently from AEGCL.

Directive 2- Independent Finance and Accounts Section of SLDC

The Commission has noted that SLDC's day to day functioning is being hampered due to its dependence upon funds from AEGCL. The Commission is of the opinion as a separate entity from AEGCL, SLDC should have their own Finance and Accounts section who can dedicatedly work for smooth functioning of the organisation for maintaining their own billing and accounts. Hence, AEGCL and SLDC is directed to take appropriate steps to ensure an independent finance operation of SLDC, ensure that billing of SLDC Charges is done by SLDC rather than by AEGCL.

Directive 3- Status Report of Projects

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

(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, etc.)

(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.

SLDC is directed to submit the status of compliance of above Directives to the Commission half yearly basis (by 30th September and by 31st March of each year).

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

11 Annexure-1

11.1 Minutes of the 35th Meeting of the State Advisory Committee

Venue: AERC Conference Hall.

Day/Dated: Friday, 27th February 2025.

List Of Members/Special Invitees: At Annexure-1 (Enclosed)

The 35th Meeting of 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 and introduced the new members who could not attend the last SAC meeting. The Hon'ble Chairperson stated that the main purpose of this meeting was to discuss the Multi Year Tariff petitions filed by the State Power Utilities. He informed that in their tariff Petitions, the Generation Company, APGCL has requested for approval of ARR for FY 2025-26 of Rs 1306.49 Cr, Transmission (AEGCL) an ARR of Rs 722.28 Cr, and SLDC an ARR of Rs 16.73 Cr.

He further informed that the cumulative revenue requirement claimed by APDCL to be recovered in tariff for FY 2025-26 works out to Rs. 11,652.49 Cr against proposed retail sale of 12,015 MU. Thus, the average cost of supply to recover entire cumulative ARR is Rs. 9.70 per unit. APDCL, in their petition, proposed to continue with the prevalent tariff structure approved in the last tariff order without any hike for all categories of consumers for FY 2025-26 although there is a gap of Rs 357 Crore with the existing tariff.

The Hon'ble Chairperson stated that in the last tariff Order, APDCL claimed an ARR of Rs 10,121.92 Cr for FY 2024-25 along with a gap of Rs 1904.17 Cr in the true up of FY 2022-23. The Commission after prudent check, reduced the claim by Rs 999 Cr and finally approved an ARR of Rs 9,519.44 Cr along with a true up gap of Rs 1507.68 Cr. The Commission had not considered any subsidy for the FY 2024-25 from the State Government while deciding the tariff.

The Hon'ble Chairperson further informed that in their petition, APDCL has introduced a Time-of-Day (ToD) tariff for all consumer categories with a connected load exceeding 10 kW, where smart meters have been installed. Further, APDCL has incorporated "solar hours" along with other ToD time slots and corresponding tariffs, ensuring conformity with Rule 8A of the Rights of Consumers Rules, 2020 and its subsequent amendments. For Commercial and Industrial consumers, during peak periods the normal tariff is increased by 20%, and for other consumers, it is increased by 10%. The TOD tariff for solar hours, is kept at twenty percent less than the normal tariff. The time slot for peak hours has been changed from evening 5 pm to 10 pm to 5 pm to 12 pm, considering the trend in peak demand.

The Commission would be required to approve TOD tariff for next year (as envisaged in the Rules) and the distribution loss trajectory for the next MYT period of 5 years. It may be brought to the notice of the members that although a distribution loss of 14.75 % was approved for FY 2023-24, APDCL could achieve only 15.5% which led to an excess power purchase of 131.53 MU and Rs 71.02 Cr. Also, it is observed that APDCL could achieve only 25-30% of the capitalization that was approved by the Commission. It has also been observed that during FY 2023-24, APDCL procures short term power at an average rate of Rs 6.06/unit while exporting the same at much lower price of Rs 4.86/ unit.

Concluding his address, the Hon'ble Chairperson mentioned that only a brief outline of the tariff proposals has been stated before the SAC members, and the power Companies would make detailed presentations on the same. He requested the SAC members to put forward their suggestions and concerns during the discussions.

The important points discussed by the members during the course of the meeting are briefly recorded below.

Agenda Item No.2: Brief presentation by APDCL on the Tariff Petition.

A Power Point Presentation was made by Shri. Rakesh Kumar, IAS, MD, APDCL on the Tariff Petitions. MD, APDCL mentioned that the peak demand in Assam has been growing at a Compound Annual Growth Rate (CAGR) of 8%. The average daily consumption has shown a steady increase from FY 2016-17 to FY 2024-25, with peak demand expected to reach 2942 MW in FY 2025-26 and 3836 MW in FY 2029-30. However, the total availability in FY 2025-26 against the peak demand is expected to be 2900 MW and 3640 MW in FY 2029-30. He informed that the demand profile varies between summer and winter, with higher demand during the summer months. APDCL has long-term PPAs with various generators, including hydro, gas, coal, and solar power plants. The total entitlement share from all sources presently is 2502 MW and to meet the future demand, additional capacity will be added through various projects, including Subansiri, Ghatampur, Lower Kopili, and SECI Solar Hybrid. Further, any shortfall in power availability will be met through the power exchange. MD, APDCL mentioned that in the consumer mix, domestic consumers account for 91% of the total consumer base, followed by commercial (6%) and others (3%). However, domestic consumers contribute only 43% of the revenue despite accounting for 49% of energy sales, indicating cross-subsidization, and commercial consumers contribute 19%, and industrial consumers contribute 23% of the total revenue mix.

MD, APDCL also highlighted that APDCL has significantly expanded its infrastructure, including 33/11 kV substations, 33 kV lines, and 11 kV lines, which will lead to gradual improvement in LT:HT ratio as well as distribution losses.

Shri Kumar also mentioned that the ACS-ARR gap improved from -0.52 Rs/kWh in FY 2021-22 to -0.24 Rs/kWh in FY 2023-24. Also, there has been an improvement in number of days receivable, which indicates efficiency in collection initiatives after the implementation of Smart Meters. Further, there is a year-on-year achievement of AT&C loss reduction targets fixed by the Ministry of Power under RDSS.

MD, APDCL stated that in the True up of FY 2023-24, there was a 32% increase in power purchase costs, primarily due to higher costs from gas-based stations. And, distribution Losses were 15.50% in actual, slightly higher than the approved 14.75%. A net revenue gap of Rs. 440 Cr was claimed after considering the State Government support of Rs. 287.30 Cr, and a special allowance of Rs. 457.09 Cr regarding FPPPA recovery. Shri Kumar also mentioned that the total proposed CAPEX. is Rs. 18,296 Cr over next five years, which includes Universal Service Obligation (5%), Standard upkeep of the network (21%), Decarbonization & Clean Energy (30%) and System Modernization (44%) under scheme-wise projects such as RDSS and Assam Distribution System Enhancement and Loss Reduction (ADSELR) etc.

Shri Kumar informed that the projected standalone ARR for FY 2025-26 is Rs 11,109.16 Cr, and Energy sales projected to be increased at a CAGR of 8%. The Power Purchase cost is the major contributor to the ARR with levelized share of 87% over the MYT period. However, the share of Power Purchase cost is projected to be reduced over the years with prudent planning and optimization. MD, APDCL also mentioned that the recovery of OPEX costs in smart metering has not been claimed in the ARR petition in line with the Hon'ble Commission's order. However, APDCL shall reflect the actual cost at the time of truing up for the year.

MD, APDCL mentioned that the gross revenue at the existing tariff with projected retail sale quantum during FY 2025-26 is estimated at Rs. 11295.14 Cr., leaving a shortfall of Rs. 357.35 Cr. over the cumulative requirement. He informed that the revenue gap on cumulative requirement is proposed to be recovered through an added revenue stream with various policy interventions like green tariff, green energy open access, etc. MD, APDCL also mentioned that for the FY 2025-26, APDCL proposed no hike in tariffs for any consumer category, and also, a Time of Day (TOD) Tariff has been introduced for consumers with a connected load exceeding

10 kW, with three time slots: Solar, Peak, and Night. For Commercial and Industrial consumers, the proposed TOD tariff during the peak period of the day is kept at 1.20 times the normal tariff, and for other consumers, it is at 1.10 times the normal tariff. Further, the TOD tariff for solar hours of the day is kept at 20% less than the normal tariff for that category of consumers.

Presentation by AEGCL

A PowerPoint presentation was made by the CGM, AEGCL on behalf of the 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 2023-24, AEGCL has shown ARR of Rs.682.17 Crore and a gap of Rs. 23.30 Crore. For SLDC, in True-Up, ARR of Rs. 8.93 Crore and surplus of Rs. 1.13 Crore is shown.

In APR for FY 2024-25, AEGCL has shown ARR of Rs.669.29 Crore and a marginal gap of Rs. 1.01 Crore. For SLDC, in APR for FY 2024-25, ARR of Rs. 14.28 Crore and surplus of Rs. 0.27 Crore is shown.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for AEGCL and SLDC:

AEGCL	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	719.86	823.44	818.86	897.95	985.51
Transmission Loss (%)	3.21%	3.19%	3.17%	3.15%	3.13%

SLDC	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY2029-30
ARR	16.73	18.83	20.80	23.21	26.49

AEGCL has submitted a transmission loss of 3.28% for True-up against the approved loss of 3.30%. AEGCL has projected a loss of 3.24% in APR for FY 2024-25. AEGCL has a projected transmission charge of Rs.0.54 Rs/kwh and SLDC charge of Rs. 141.80/MW/Day for FY 2025-26.

Presentation by APGCL

A Power Point Presentation by Shri. Bibhu Bhuyan, MD, APGCL on approval of True up for FY 2023-24, Annual Performance Review for FY 2024-25, CAPEX plan for FY 2025-26 to 2029-30, ARR for FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26.

MD, APGCL brought to the notice of SAC that APGCL has been rated in A++ category and can be considered equivalent to a Mini Ratna Company. Provided there is government support, the company has the capability to raise funds from the market for its expansion and survivability. Shri Bhuyan stated 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 that the old unit of NTPS has to be closed down as there are no spare parts, service support, etc. on account of it being very old. A member recommended that APGCL may take initiatives for upgrading the station rather than closing down, if viable.

MD, APGCL mentioned that with execution of more and more renewable projects grid stability might be disturbed because of the intermittent nature of renewable energy. Shri Bhuyan also pointed out that increase in solar, small hydro, etc will not be sufficient to meet the peak demand. As such Gas based station will be an asset for the state as such stations are easy to ramp up and ramp down to adjust the demand. Besides, Gas based stations can be used to provide the base load.

MD, APGCL mentioned that in the True Up for the FY 2023-24, APGCL has shown a Net Revenue of Rs. 1198.23 Cr and actual revenue gap of Rs. 51.02 Cr. The revenue gap with carrying cost is Rs. 62.78 Cr. The actual claimed Gross generation is 2008.05 MU.

In the APR for the FY 2024-25, APGCL has shown a ARR of Rs. 86.58 Cr and gap of Rs. 7.39 Cr for NTPS, ARR of Rs. 419.33 Cr and gap of Rs. 33.10 Cr for LTPS, ARR of Rs. 371.86 Cr and gap of Rs. 19.67 Cr for LRPP, ARR of Rs. 374.14 Cr and gap of Rs. 1.26 Cr for NRPP, ARR of Rs. 82.28 Cr and surplus of Rs. 1.05 Cr for KLHEP, overall ARR of Rs. 1334.21 Cr with Rs. 60.35 Cr gap and estimated gross generation of 2186.72 MU for APGCL.

In MYT for FY 2025-26 to 2029-30, the following have been proposed for APGCL:

	FY 2025-26	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY2029-30**
Total Revenue Requirement	1,306.49	1,491.85	1,578.82	1,557.59	1,517.40

APGCL has proposed a tariff of Rs. 6.24/kWh for the FY 2025-26 (fixed charge of Rs. 2.11/kWh and energy charge of Rs. 4.13/kWh).

Agenda No-3 Discussions by the SAC Members on the Tariff Petitions:

SAC Member Shri Amarendra Goswami submitted a list of infirmities observed in the MYT Petitions of APDCL some of which are briefly noted hereunder:

a) True-up petition for FY 2023-24

i) The new item- 'Unrecovered FPPPA for 2022-23' is shown under item-8 with a value of Rs 457.09 Cr. FPPPA cannot appear in the ARR for the simple reason that in that case, FPPPA shall be included in the tariff determination process and no FPPPA could be levied additionally under the FPPPA Regulations.

ii) By adding of un-recovered FPPPA in the true up, surplus has been converted to shortfall which would impact the process of tariff determination.

iii) There seems to be a calculation error in summation from item-17 to item18 in the column-b (Actual) which may be verified and rectified.

iv) There is lack of clarity, regarding adjustment of cumulative shortfall and surplus in the true-up processes under the respective tariff orders. It is suggested that one sheet may be submitted showing the shortfall/ surplus due for adjustment till FY 2023-24 showing adjustments already made in the previous FYs.

b) On APR for 2024-25:

i) Increase in revenue in % has always been found to be higher that the corresponding % increase in sale of power. However, the percentage increase in revenue from sale of power is abnormally high in 2023-24. Therefore, careful analysis is necessary before approving the projected the value of revenue from sale of power.

ii) It is observed that no actual data for 6 months has been presented in the APR in respect to financial performances including revenue from sale of power. Without these vital inputs, it would be a constraint for the Hon'ble Commission to approve the projected value in the APR for 2024-25 and the corresponding targeted values for the year 2025-26 for determination of tariff. APDCL may be requested to submit all relevant data in the form of revised APR.

c) On proposed Tariff:

Shri Goswami made the following comments in respect to the proposed TOD tariff for all categories above 10KW.

i) Duration of solar hours has been fixed from 6.00 hrs to 17.00 hrs (11 hours). This is against the stipulation under Rule 8(A) of the Electricity (Rights of Consumers) Amendment Rules 2023 which states that “solar hours” means the duration of eight hours in a day.

ii) Introduction of TOD tariff for domestic (and also bulk consumers like educational institutes) will cause big impact on students and children as usually their study hours are from 18.00hrs t0 22.00hrs. This is a societal issue which needs to be taken into consideration by the Commission while considering the proposal.

iii) We need to deliberate thoroughly whether TOD is an opportunity or burden for the domestic consumers. It is apprehended that actual tariff burden will be more than the normal tariff rate because of the consumption pattern. TOD tariff should not be implemented for domestic as well as commercial consumers until proper analysis of consumption patterns. Unlike industries, domestic consumers have little opportunity to reduce consumption without compromising on essential needs, which may defeat the very objective.

iv) Since TOD tariff can be applied only to consumers having smart meters, there would be different categories of consumers with smart meters and without smart meters. This will go against Section 62(3) of the Act. APDCL need to submit the smart meter installation data for above 10KW load consumers against total consumers in such group.

v) APDCL need to show the justification for extending peak load hours to 24.00hrs with actual load curves.

vi) Introduction of TOD tariff will create problem for the bulk single point bulk consumers like Universities, IIT, AIIMS, NIPER and many similar institutions for collecting revenue from their quarters. They will also have to install smart meters and have proper billing infrastructure of their own or through other agencies.

Shri Goswami also enquired about the status of rebate to be provided to the consumers covered under prepayment mode. He further enquired regarding the observations made by the independent auditors about not booking of income from deposit works by APDCL of Rs. 472.09 Cr and Rs. 464.28 Cr for FY 2023-24 & FY 2022-23 respectively amounting to total of Rs. 936.37 Cr. He requested the Commission to look into the matter.

MD, APDCL replied that the Company follows all the procedures as per the accounting and regulatory norms. He assured the Committee that the queries raised by the member shall be replied to in writing. He further stated that TOD is optional as of now, as smart meters are still not installed completely. Also, TOD is applicable to those consumers whose connected load exceed 10 kW and it is observed that only 3 to 4 Lakhs consumers which are high end consumers shall actually be come under this new regime. Further, Shri Kumar stated that inconsistencies observed by the Independent auditors have already been taken up and replies submitted to the auditors as per the accounting procedure followed by the Company. However, he assured that the same will be forwarded to the Commission.

On the aforesaid points, one learned SAC member highlighted that the evaluation of tariff is on basis of the Regulatory Accounts which is different from the normal accounts of a Company which seems to be the crux of the issue. Thus, although audited balance sheet may show surplus but that may not be the surplus from regulatory/ commercial angle. The EA 2003 aims at mainly two objectives: 24x7 quality power and commercial turnaround of all utilities. Hence, the government needs to look into the issues being faced by the State utilities, without which the future looks very bleak. The main issue observed in the context of APDCL is that 87% of their budget is spent on power purchase and only 13% is left with them to run the distribution business. The Committee acknowledged that the company is making best efforts to carry out the distribution business properly but the Company may not be able to sustain their operations if this continues for very long and the Government may have to provide significant financial support for the same. He observed that unless the power purchase cost is optimized, the two trajectories of growth of APDCL namely the real and the normative, will always be divergent. Also, the approach adopted for depiction of capital grants and subsidies as income of the Company should be revisited by the Government. The member further added that some state-of-the-art software is required for monitoring and planning of the power purchase, which the Committee has recommended at several earlier instances. The committee members also stated that APDCL should carry out a pragmatic manpower planning and the recruitment (which is currently being done by the State Government), should be taken up as per the planning. Regarding safety, CAC has formulated a safety management policy which has already been placed by APDCL before the APDCL Board for approval. The member also observed that APDCL has been taking steps for reduction of distribution loss, but it will take some time and requires further investment.

Regarding AEGCL, the SAC member pointed out that the 54 paise transmission charge claimed in Tariff petition, if calculated as per actual balance sheet, will be much lower and observed that 54 paisa itself is on the higher side as a hike of 17 paisa in transmission charge has been claimed in two years. The members enquired whether proper load flow study is being done while planning for new substations. This matter has already been raised in earlier meetings and the evacuation planning needs to be done in co-ordination with APDCL and should not only be based on theoretical studies. The matter was raised in the context of 400 KV substation being constructed by AEGCL at Rangia (Tamulpur), which is a huge investment. Another issue to be dealt with by AEGCL is voltage management at grid substations. AEGCL should refer to the list of substations submitted in earlier meeting which registered low voltage and submit a substation-wise report on what action has been taken to resolve the issues at those substations along with the expected timeline of completion. Reference was made to BCPL, which is connected to the grid but have been facing grid disturbances which causes their system to collapse and face huge losses. The issue observed is that the Behiating substation of AEGCL has two transformers running in parallel with unequal impedances, which causes the system to trip. BCPL has offered to pay for the technical equipments required to be installed at the AEGCL substation so as to run the transformers in isolation for the time being and the member commented that AEGCL must accept the fund. Hon'ble Chairperson intervened and requested the members to confine the discussions to tariff matters only. He assured that a separate meeting will be held to discuss regarding matters of infrastructure and projects.

With regards to APGCL, the SAC member pointed out that the cost of power is highest as compared to other sources of power for APDCL because of which they also cannot afford to buy all power from APGCL. Therefore, the government as well as APGCL should devise some strategy, without which the company might suffer in future. APGCL should aim to reduce the auxiliary power consumption and station heat rate to bring down their cost of generation. Further, APGCL's balance sheet shows a surplus, considering which, they should endeavour to reduce the tariff.

SAC member enquired as to why the solar consumers should opt for TOD tariff and how will they be benefited. MD, APDCL replied that they can take benefit of the solar TOD tariff by shifting their load to off-peak period when tariff is lower. MD, APDCL also informed that whoever opts for TOD, the company will install smart meters free of cost.

SAC members enquired regarding the rebate to the smart meters consumers, a point already raised earlier in the discussion, to encourage consumers to go for smart meters. APDCL stated that since smart meter installation is only around 50%, the full picture is not yet clear. However, the Honb'le Commission or the government may allow rebate, in which case, the consumers will be benefited. The members commended APDCL for their achievement in being one of the top Discoms in installation of smart meters in the country.

Another point raised by a learned member was that APDCL has projected the power purchase is going to go up by 8% whereas the revenue is going to go up by only 4%. MD, APDCL clarified that the demand is projected to go up by 8% and they are arranging low cost power to achieve the 4% increase in revenue. One of the members enquired regarding the means how APDCL proposes to bridge the gap of Rs 357 Cr shown by APDCL. MD, APDCL stated that they are hoping to bridge the gap from green premiums, efficiency gain, etc and hence has not proposed any hike in tariff. The member stated that any increase in losses on part of AEGCL and increase in cost of generation of APGCL is eventually loaded on APDCL and hence the consumers, and this vicious cycle continues. Hence, AEGCL and APGCL should also be mindful of this fact and make best efforts to reduce their cost.

SAC member raised a query regarding levy of FPPPA the last year. MD, APDCL informed that the sudden rise in fuel prices in FY 2023-24 has been recovered through tariff and additional subsidy given by the government to the domestic consumers. He further stated that last year no FPPPA was levied. One of the members suggested that whenever APDCL recovers FPPPA, the FPPPA should be shown as a separate tariff item in the respective petition. APDCL clarified that since there was no FPPPA, therefore, it has not been shown in the petition. Also, since FPPPA was merged with the tariffs earlier, hence these could not be shown separately.

Regarding extension of the peak hours from 5-10 pm to 5-12 pm, the Committee enquired whether the decision was backed by statistics. Further concern was also raised on the impact it will create on the student community and their households, owing to TOD tariff and the extended peak period. The member also suggested that domestic consumers should be given relief and the TOD rates should be graded instead of being flat. MD, APDCL clarified that the peak hours has been proposed considering the last 2-3 years of consumption pattern where peak in summers has gone up to 2 am. However, the Commission and the Committee may discuss and recommend on the matter. He also added that TOD tariff is optional in nature and the consumers may or may not opt for the same. Also, its applicable to consumers having load >10 kW, which leaves out most of the domestic consumers. One of the members added that if the peak hours are increased, then industries' operations will shift from 10 pm to 2 am and that impact should also be studied. Another member enquired as to whether an industry such as tea, Coffee, etc will also be given the option to choose between new TOD and normal tariff. MD, APDCL remarked that the shift may be possible from this new TOD to the earlier scheme.

A SAC member enquired if APDCL has adopted all existing methods for loss reduction, taking examples from other peer states who succeeded to contain their losses. MD, APDCL informed the SAC that they are adopting best practices followed by other discoms of which some have already been implemented and some are in implementation stage like smart meters which have been installed to reduce the commercial losses, the upgradation of lines for the technical losses, etc. But to reach the ideal scenario of 1:1, massive investment shall be required as they are currently at 2.8:1. So, the steps are being gradually taken up. To another query as to whether APDCL has the technology to determine the losses feeder-wise, MD, APDCL replied that they are doing it at present and especially when smart meters will be completely installed, they will be able to pin-point the energy drainage. One of the members observed that AEGCL plays a vital role in reducing the technical losses and such efforts have been made through installation of capacitors. However, he expressed concern as to whether these have been done after technical studies. He remarked that if AEGCL takes steps to maintain the voltage to APDCL, around 33-36 kV, further loss reduction will be possible. The member also enquired if AEGCL has benchmarked their losses with their peers. The Committee also expressed concern regarding the viability of investment has been checked since it is a public investment. AEGCL mentioned that the losses can be reduced by increasing the number of injection points (with PGCIL, etc.) and by reducing the length of transmission lines, which is the main reason for voltage drop. Example was cited of BTPS which is getting power from NTPC and PGCIL, but it is transmitted to Rangia through a 160km long line. 400 kV Rangia (Tamulpur) GSS which is coming up will be directly fed from PGCIL, which will improve the voltage profile manifold. The members suggested that load flow study should be carried out for better assessment. AEGCL informed the SAC that the load flow study has already been carried out by AEGCL and they are doing it regularly. The results are forwarded to CEA which are then verified by the central agency. It is only after approval was granted, the projects are implemented. AEGCL further informed that the current load is around 2600 MW and this is projected to increase to almost 5000 MW in 2030. A major share of this comes from the refineries connecting with the grid, as mandated by the central government policy and without the 400 kV substations being constructed at Rangia (for lower Assam), Sonapur (for central Assam) and Khumtai (for upper Assam), AEGCL will not be able to cater to such demand. The Committee also asked regarding installation of reactors at such substations to which, AEGCL responded in the affirmative to maintain the stability of the entire grid.

SAC Member appreciated APDCL for introducing the TOD mode of determining tariff basically for the industrial consumers. He stated that it is a win win situation for both the Discom and the consumer. He also mentioned that industries can take advantage of the night charge of tariff which is lower than normal tariff. The member added that the TOD mode of tariff determination will be beneficial for the upcoming industries to be established after Advantage Assam 2.0 initiative and the solar power consumption will increase even further with such industries.

Hence, APDCL may look into increasing the TOD relief from 20% to 30% in order to encourage more participation. Further, he enquired regarding the plan for absorption of the peak solar generation during the day time in the upcoming future, which will be quite significant.

MD, APDCL replied that as the things will unfold in future, the strategy would change and there may be a separate tariff slab for the peak solar during day hour which may be even more subsidised.

SAC member enquired that since massive industrialization is upcoming in the next 5 years, will increase the consumption of electricity and whether in that situation the tariff rate will go down. In reply to this MD, APDCL stated that it will depend upon the costs of the power at that time. The member also enquired regarding commissioning of Lower Kopili Hydro Electric Project (LKHEP). MD, APGCL replied that it will be commissioned in June, 2025 and generation will start from the month of August-September.

In reply to the query of a SAC member regarding estimated load consumption of Jal Jeevan Mission and Agricultural sector, MD, APDCL stated that exact load consumption of Jal Jeevan Mission cannot be determined at this stage but agricultural connections are almost 20,000 as they might be using power from the domestic connection for agricultural purposes. The Committee suggested that for more connections from departments such as irrigation, public health etc. would help increase the revenue of APDCL and the discom should pursue the matter with these departments.

A SAC member enquired regarding the Capex plan for SLDC for modernization of infrastructure. SLDC replied that a proposal for backup SLDC building which is mandated under national critical infrastructure, upgradation of existing and cyber security related infrastructure and several others have been included in the petition. The member raised a query if APGCL has completely written off NTPS, as no capex plan has been observed. MD, APGCL replied that as soon as the Lower Kopili Hydro Electric Project starts generation, then the old unit of NTPS will be shut down. SAC member suggested that gas based generating stations must be operated simultaneously along with solar generation. SAC members also discussed about feasibility of wind and other renewable powers in Assam in future.

Agenda Item No- 4: Future RE trajectory for the state-

Thereafter, MD, APDCL gave a presentation of RE trajectory in the state of Assam. The presentation focused on the 5-Year Renewable Energy (RE) Trajectory of Assam Power Distribution Company Ltd. (APDCL), aligning with the Assam Renewable Energy Policy (AREP)-2022 and the Assam Integrated Clean Energy Policy-2025. The key emphasis was on achieving renewable energy generation targets by 2027 and beyond i.e upto 2030. As per Assam Renewable Energy Policy (AREP)-2022 the State shall strive to achieve 1200 MW by 2027. In addition to that, Govt. of Assam declared an ambitious project of “Mukhya Mantri Souro Shakti Prokolpo” for installation of 1000 MW in free Govt. lands. At present, the total Installed Capacity (On-Grid & Off-Grid) of APDCL is 308 MW. The presentation also highlighted the status of ongoing and projects in pipeline of renewable projects in Assam.

SAC Member recommended that the release of subsidy to the consumers who have installed solar panels under PM Suryaghar scheme must be expedited which would attract more consumers to fall in line as presently there are only around 7000 consumers. He also pointed out that some key questions need to be addressed considering the expansion of renewables, also envisaged during the Advantage Assam 2.0, in the State which include whether we have skilled manpower, energy absorption capacity and land release policy. He stated that in conjunction with the Global Environment Facility (GEF), he urged that the State must take the opportunity to increase the green energy footprint, which is the future. Further, regarding the T&D Losses, Member recommended that adoption of UG cables instead of overhead lines will help reduction in unauthorized connections and pilferage and need to be explored.

SAC Member also enquired about the participation of private players in Small Hydro Electric Plants in the State. MD, APDCL mentioned that the standard policy guidelines of Government are there which has to be followed for any private players to construct a SHP.

SAC member queried as to the process or prescribed guidelines for disposal of the solar panels to address the pollution issue after the end of useful life of the huge number of Solar Panels installed under various schemes. In this regard MD, APDCL stated that there are some standard guidelines of Government which are evolving over time. SAC member from FINER added that Central Pollution Control Board (CPCB) has already formulated policy for the seven (7) categories of e-waste covering 132 items where solar panels are also included as per E-waste Management Rules, 2024.

SAC Member from FINER enquired about the recent announcement in Advantage Assam 2.0 regarding 3000 MW solar panels .MD, APDCL clarified that it the step taken by the GoA to manufacture solar panel upto 3000 MW capacity in Assam.

SAC Member from AEDA stated that in green energy policy and renewable energy policy the role of AEDA is not specified, however they are the nodal agency for small and Off-Grid power plants under MNRE. They added that they could help develop skilled manpower in the State.

Hon’ble Chairperson, AERC suggested that AEDA may bring out a policy paper regarding the matter.

There was no other matter discussed.

The meeting ended with the vote of thanks from the Chair.

Sd/-

Secretary,
Assam Electricity Regulatory Commission.

ANNEXURE-1

35th Meeting of SAC - LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT

Members

1. Kumar Sanjay Krishna, IAS (Retd), Chairperson, AERC
2. Shri Alokeswar Bhattacharyya, Member (Law), AERC
3. Shri Syed M.D Zahid Chistie, Addl. Secretary, Power (E) Department, GoA
4. Shri Dipak Kr. Bora, Jt. Secretary, Department of Finance, Assam Sachivalaya, GoA
5. Shri Subodh Sharma, Consumer Activist
6. Shri Abhijit Sharma, Secretary. ABITA
7. Shri Amarendra Goswami, Electrical Consultant, Retd SE
8. Shri Champak Barua, Ex-Member, Technical, APDCL
9. Dr. Chitralekha Mahanta, Professor, IIT Guwahati, E & E Eng. Department
10. Dr. Satyajit Bhuyan, Professor, AEC
11. Dr. Aditya Bihari Kandali, Principal (I/C), Department of Electrical Engineering, JIST
12. Shri Jojneswar Sharma, Ex DG Ministry of Defense
13. Dr. Jaideep Baruah, Director, AEDA
14. Shri Dilip Kr. Sarma, Retd. ED, PGCIL
15. Dr. Bhupati Das, Ex MD, NRL
16. Shri Nikunja Borthakur, Sr. CGM, NRL
17. Shri Saurabh Agarwal, Chairman Power, FINER

SPECIAL INVITEES

1. Shri Rakesh Kumar, IAS, Managing Director, APDCL
2. Shri Biswajit Pegu, Managing Director, AEGCL
3. Shri Bibhu Bhuyan, Managing Director, APGCL

OFFICERS FROM APDCL. AEGCL & APGCL

APDCL

1. Shri Jagadish Baishya, CGM (Com), APDCL
2. Shri Rajiv Kr. Gogoi, GM(PP), APDCL
3. Shri Rupranjan Kalita, GM, APDCL
4. Shri Indrajit Tahbildar, DGM, APDCL
5. Shri Rupjyoti Borah, DGM, APDCL
6. Mrs Ronkita Baruah, AGM, APDCL
7. Shri Paragjyoti Kalita, AGM, APDCL
8. Shri Udayan Dutta, DM, APDCL
9. Shri Adity Bora, AM, APDCL

AEGCL and SLDC

1. Shri Balabanta Basumatary, CGM, AEGCL
2. Mrs Jayashree Devi, CGM (PP&D) AEGCL
3. Mrs Toushita Jigdung, DGM, SLDC, AEGCL
4. Shri Debasish Paul, AGM, AEGCL
5. Mrs Dipmani Nath, AM, AEGCL

APGCL

1. Md. Zakir, CGM, APGCL
2. Mrs Aklantika Saikia, DGM, APGCL
3. Mrs Pinky Deb, DGM, APGCL
4. Shri Pankaj B Sarmah, AGM, APGCL

OFFICERS FROM AERC

1. Shri Ashok Kumar Barman, IAS (Retd), Secretary.
2. Ms. Panchamrita Sharma, Joint Director (T & RA),
3. Shri Nipen Kr. Deka, Joint Director (Engg.)
4. Shri Jayjeet Bezbaruah, Deputy Director (Gen, PPA, P&P)
5. Mrs Jharna Devi, Deputy Director (Engg.)
6. Shri Kishore RajKumar, Assistant Director (IT)
7. Mrs Punam Rabha, Assistant Director (Tariff)

8. Shri Dibbyajyoti Sarma, PS to Member, (Technical)
9. Shri Bikash Deep Baruah, PS to Member, (Law)