

# **GUJARAT ELECTRICITY REGULATORY COMMISSION**



## **Tariff Order**

Truing up for FY 2021-22

and

Determination of ARR and SLDC Fees & Charges for FY 2023-24

For

**State Load Despatch Centre**

**(SLDC)**

**Case No. 2164 of 2022**

**31<sup>st</sup> March, 2023**

6<sup>th</sup> Floor, GIFT ONE, Road 5-C, Zone 5, GIFT CITY

Gandhinagar-382 355 (Gujarat), INDIA

Phone: +91-79-23602000 Fax: +91-79-23602054/55

E-mail: [gerc@gercin.org](mailto:gerc@gercin.org) : Website [www.gercin.org](http://www.gercin.org)





सत्यमेव जयते

**GUJARAT ELECTRICITY REGULATORY COMMISSION**

**(GERC)**

**GANDHINAGAR**

**Tariff Order**

Truing up for FY 2021-22 and

Determination of ARR and SLDC Fees & Charges for FY 2023-24

**For**

**State Load Despatch Centre**

**(SLDC)**

**Case No. 2164 of 2022**

**31<sup>st</sup> March, 2023**



## CONTENTS

<b>1</b>	<b>Background and Brief History</b> .....	<b>2</b>
1.1	State Load Despatch Centre (SLDC).....	2
1.2	Commission's Order for approval of True up of FY 2020-21 and Determination of tariff for FY 2022-23 .....	3
1.3	Background of the present Petition .....	3
1.4	Registration of the current Petition and Public Hearing Process .....	3
1.5	Contents of this Order .....	4
1.6	Approach of this Order .....	5
<b>2</b>	<b>Summary of SLDC's Petition</b> .....	<b>7</b>
2.1.	Introduction.....	7
2.2.	Truing up for FY 2021-22.....	7
2.3.	ARR and SLDC Charges for FY 2023-24 .....	8
2.4.	Prayer of SLDC to the Commission.....	9
<b>3</b>	<b>Brief Outline of objections raised, response from SLDC and Commission's view</b> .....	<b>10</b>
3.1	Public Response to the Petition:.....	10
<b>4</b>	<b>Truing up for FY 2021-22</b> .....	<b>11</b>
4.1	Introduction.....	11
4.2	Capitalisation and Funding.....	11
4.3	Operations and Maintenance (O&M) Expenses.....	12
4.4	Depreciation.....	17
4.5	Interest and Finance Charges .....	19
4.6	Interest on Working Capital.....	21
4.7	Return on Equity .....	23
4.8	ULDC and SCADA Upgradation Charges.....	25



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

4.9	Income Tax.....	27
4.10	Non-Tariff Income.....	27
4.11	Claimed and Approved Fixed Costs.....	29
4.12	Revenue Surplus for FY 2021-22 .....	30
<b>5</b>	<b>Determination of Aggregate Revenue Requirement (ARR) for FY 2023-24 .....</b>	<b>32</b>
5.1	Introduction.....	32
5.2	Capital Expenditure.....	32
5.3	Capitalisation & Funding of CAPEX.....	33
5.4	Fixed Charges for FY 2023-24 .....	34
5.5	Operation and Maintenance (O&M) Expenses for FY 2023-24.....	35
5.6	Depreciation.....	37
5.7	Interest and Finance Charges .....	38
5.8	Return on Equity .....	39
5.9	Interest on Working Capital.....	40
5.10	Income Tax.....	41
5.11	ULDC & Other Related Charges.....	42
5.12	Non-Tariff Income.....	42
5.13	Approved ARR for SLDC for FY 2023-24 .....	43
<b>6</b>	<b>Determination of SLDC Fees and Charges for FY 2023-24 .....</b>	<b>45</b>
<b>7</b>	<b>Compliance of Directives and New Directives.....</b>	<b>47</b>
7.1	Compliance to Directives issued by the Commission.....	47
	<b>COMMISSION'S ORDER .....</b>	<b>49</b>



## LIST OF TABLES

Table 1-1: List of Newspapers in which Public Notice was published by the Petitioner .....	4
Table 1-2: List of Newspapers Commission issued a notice for public hearing.....	4
Table 2-1: Summary of Truing up for FY 2021-22 (Rs. Lakhs) .....	7
Table 2-2: Summary of Controllable and Uncontrollable factors (Rs. Lakhs) .....	8
Table 2-3: ARR for FY 2023-24 as submitted by SLDC (Rs. Lakh) .....	8
Table 2-4: SLDC Charges for FY 2023-24 as submitted by SLDC (Rs. Lakhs) .....	9
Table 4-1: Capitalisation claimed for FY 2021-22 (Rs. Lakhs) .....	11
Table 4-2: Capitalisation and Funding approved for FY 2021-22 (Rs. Lakhs) .....	12
Table 4-3: O&M Expenses claimed for FY 2021-22 (Rs. Lakhs).....	12
Table 4-4: Gain/ (Loss) claimed from O&M Expenses for FY 2021-22 (Rs. Lakhs) .....	15
Table 4-5: Operation & Maintenance Expenses approved for FY 2021-22 (Rs. Lakhs) .....	17
Table 4-6: Operation & Maintenance Expenses and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs) .....	17
Table 4-7: Depreciation claimed for FY 2021-22 (Rs. Lakhs).....	18
Table 4-8: Gain/ (Loss) claimed from Depreciation for FY 2021-22 (Rs. Lakhs).....	18
Table 4-9: Gross Fixed Assets and Depreciation approved for FY 2021-22 (Rs. Lakhs).....	18
Table 4-10: Depreciation and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs).....	19
Table 4-11: Interest and Finance Charges Claimed for FY 2021-22 (Rs. Lakhs).....	19
Table 4-12: Gain/ (Loss) claimed from Interest & Finance Charges for FY 2021-22 (Rs. Lakhs) .....	20
Table 4-13: Interest and Finance Charges approved for FY 2021-22 (Rs. Lakhs).....	20
Table 4-14: Interest and Finance Charges and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs) .....	21
Table 4-15: Interest on Working Capital claimed for FY 2021-22 (Rs. Lakhs) .....	22
Table 4-16: Gain/(Loss) from IoWC claimed for FY 2021-22 (Rs. Lakh).....	22
Table 4-17: Interest on Working Capital approved for FY 2021-22 (Rs. Lakhs).....	22



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

Table 4-18: Interest on Working Capital and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)	23
Table 4-19: Return on Equity claimed for FY 2021-22 (Rs. Lakhs)	23
Table 4-20: Gain/(Loss) from RoE claimed for FY 2021-22 (Rs. Lakhs)	24
Table 4-21: Return on Equity approved for FY 2021-22 (Rs. Lakhs)	24
Table 4-22: Return on Equity and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)	25
Table 4-23: ULDC & SCADA Upgradation Charges claimed for FY 2021-22 (Rs. Lakhs)	25
Table 4-24: Gain/(Loss) from ULDC & SCADA Upgradation Charges claimed for FY 2021-22 (Rs. Lakhs)	26
Table 4-25: ULDC & SCADA Upgradation Charges approved for FY 2021-22 (Rs. Lakhs)	26
Table 4-26: ULDC & SCADA Upgradation Charges and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)	26
Table 4-27: Proposed Income Tax for FY 2021-22 (Rs. Lakhs)	27
Table 4-28: Approved Income Tax for FY 2021-22 (Rs. Lakhs)	27
Table 4-29: Non-Tariff Income claimed for FY 2021-22 (Rs. Lakhs)	28
Table 4-30: Gain/(Loss) from Non-Tariff Income claimed for FY 2021-22 (Rs. Lakhs)	28
Table 4-31: Non-Tariff Income approved for FY 2021-22 (Rs. Lakhs)	29
Table 4-32: Non-Tariff Income and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)	29
Table 4-33: Fixed Costs Approved for FY 2021-22 (Rs. Lakhs)	30
Table 4-34: Revenue (Gap) /Surplus claimed for FY 2021-22 (Rs. Lakhs)	30
Table 4-35: Revenue (Gap) /Surplus approved for FY 2021-22 (Rs. Lakhs)	31
Table 5-1: Proposed Capital Expenditure Plan for The Period FY 2023-24 (Rs. Lakh)	32
Table 5-2: Funding of Capex for FY 2023-24 (Proposed) (Rs. Lakh)	34
Table 5-3 Capitalisation Actual V/s Projected for last 3 Years (Rs. Lakh)	34
Table 5-4: Funding of Capex for FY 2023-24 (Approved) (Rs. Lakh)	34
Table 5-5: O&M Expenses projected for FY 2023-24 (Rs. Lakhs)	35





## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

---

Table 5-6: O&M Expenses approved for FY 2023-24 (Rs. Lakh) .....	36
Table 5-7: Proposed Depreciation for FY 2023-24 (Rs. Lakh).....	37
Table 5-8: Approved Depreciation for FY 2023-24 (Rs. Lakh).....	37
Table 5-9: Proposed Interest and Finance Charges for FY 2023-24 (Rs. Lakh).....	38
Table 5-10: Approved Interest and Finance Charges for FY 2023-24 (Rs. Lakh) .....	39
Table 5-11: Proposed Return on Equity for FY 2023-24 (Rs. Lakh) .....	39
Table 5-12: Approved Return on Equity for FY 2023-24 (Rs. Lakh) .....	40
Table 5-13: Proposed interest on working capital for FY 2023-24 (Rs. Lakh).....	41
Table 5-14: Approved interest on working capital for FY 2023-24 (Rs. Lakh).....	41
Table 5-15: Proposed ULDC & Other Related Charges for FY 2023-24 (Rs. Lakhs).....	42
Table 5-16: Approved ULDC & Other Related Charges for FY 2023-24 (Rs. Lakh) .....	42
Table 5-17: Proposed Non-Tariff Income for FY 2023-24 (Rs. Lakhs) .....	43
Table 5-18: Approved Non-Tariff Income for FY 2023-24 (Rs. Lakhs) .....	43
Table 5-19: Approved ARR for FY 2023-24 (Rs. Lakhs).....	43
Table 6-1: ARR approved for FY 2023-24 (Rs. Lakhs) .....	45
Table 6-2: SLDC Fees & Charges approved for FY 2023-24 (Rs. Lakhs) .....	46



## State Load Despatch Centre

Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

### ABBREVIATIONS

A&G	Administrative and General
ARR	Aggregate Revenue Requirement
ATC	Annual Transmission Charges payable by long-term user or medium-term user of the transmission system
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
ckt. km	Circuit Kilometre
DGVCL	Dakshin Gujarat Vij Company Limited
EA 2003	Electricity Act, 2003
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HVDC	High Voltage Direct Current
Ind AS	Indian Accounting Standards
kV	kilo Volt



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere Hour
kVARh	kilo Volt Ampere Reactive Hour
kWh	kilo Watt Hour
MAT	Minimum Alternate Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
MUs	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
OPGW	Optical Ground Wire
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
RE	Renewable Energy
R&M	Repairs and Maintenance
ROE	Return on Equity
RoW	Right of Way
SBAR	State Bank Advance Rate



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

SCC	Sum of Capacities contracted in MW by all long-term users and medium – term users of the transmission system
SLDC	State Load Despatch Centre
STOA	Short-Term Open Access
UGVCL	Uttar Gujarat Vij Company Limited



**Before the Gujarat Electricity Regulatory Commission at  
Gandhinagar**

**Case No. 2164 of 2022**

**Date of Order: 31<sup>st</sup> March, 2023**

**CORAM**

Shri Anil Mukim, Chairman

Shri Mehul M. Gandhi, Member

Shri S.R. Pandey, Member

**ORDER**



# 1 Background and Brief History

---

## 1.1 State Load Despatch Centre (SLDC)

Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1<sup>st</sup> April, 2005. The Generation, Transmission and Distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor companies as listed below:

- Gujarat State Electricity Corporation Limited (GSECL) - A Generation Company
- Gujarat Energy Transmission Corporation Limited (GETCO) - A Transmission Company
- Four Distribution Companies, namely:
  - Dakshin Gujarat Vij Company Limited (DGVCL)
  - Madhya Gujarat Vij Company Limited (MGVCL)
  - Paschim Gujarat Vij Company Limited (PGVCL);
  - Uttar Gujarat Vij Company Limited (UGVCL); and
- Gujarat Urja Vikas Nigam Limited (GUVNL) – A Holding Company of above named six subsidiary companies, responsible for bulk purchase of electricity from various sources and bulk supply to Distribution Companies.

The transmission assets of the erstwhile Gujarat Electricity Board, including the assets related to the State Load Despatch Centre, were transferred to the newly created entity, GETCO. However, Government of India, Ministry of Power, has initiated steps to de-link the National and Regional / State Load Despatch Centre from the Central Transmission Utility (CTU) / State Transmission Utility (STU).

Section 31 (1) of the Electricity Act, 2003, requires the State Government to establish a separate State Load Despatch Centre (SLDC). Section 31 (2) of the Electricity Act provides that the SLDC shall be operated by a Government Company/Authority/Corporation constituted under any State Act and until such Company/Authority/Corporation is notified by the State Government, the State Transmission Utility (STU) would operate the SLDC. Accordingly, in the State of Gujarat, the STU, viz., GETCO, has so far been operating the SLDC.

SLDC Gujarat has participated in Unified Load Despatch and Communication Scheme (hereinafter called as ULDC) approved by Central Electricity Authority (CEA) for the Western Region. Under this Scheme, SLDC Jambuva has been shifted to SLDC Gotri from 6<sup>th</sup> July, 2005 and commenced operation of three Sub-SLDCs at Gandhinagar, Jambuva and Jetpur.



## **1.2 Commission's Order for approval of True up of FY 2020-21 and Determination of tariff for FY 2022-23**

The Commission vide its Order dated 30<sup>th</sup> March, 2022 in Case No. 2027 of 2021 has approved the Truing up for FY 2020-21 and determined the SLDC Fees and Charges for FY 2022-23.

## **1.3 Background of the present Petition**

State Load Dispatch Centre (hereinafter referred to as "SLDC" or the "Petitioner") has filed the present Petition on 14<sup>th</sup> December, 2022 for the Truing up for FY 2021-22 under Section 62 of the Electricity Act, 2003, (hereinafter referred to as "EA 2003") read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as "GERC (MYT) Regulations, 2016").

Gujarat Electricity Regulatory Commission (hereinafter referred to as 'GERC' or the 'Commission') notified the GERC (MYT) Regulations, 2016 on 29<sup>th</sup> March, 2016, which is applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> April, 2016 until 31<sup>st</sup> March, 2022. The Commission, vide Suo-Motu Order No. 7 of 2020 dated 22<sup>nd</sup> December, 2020 and Suo-motu Order dated 24<sup>th</sup> September, 2021 in Petition No. 1995 of 2021, deferred the notification of the Regulations by one year and directed the Licensees / utilities to file the tariff application for the FY 2021-22 and FY 2022-23 respectively.

Further, the Commission vide its Order dated 20<sup>th</sup> October, 2022 in Suo Motu Petition No. 2140 of 2022 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2021-22 and for determination of ARR and Tariff for FY 2023-24 on or before 15<sup>th</sup> December, 2022 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016.

Thus, Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of Petition comprising of Truing up for FY 2020-21, Aggregate Revenue Requirement (ARR) for FY 2023-24, revenue from the SLDC Charges at existing tariffs for FY 2023-24, and Revenue Gap or Revenue Surplus for FY 2023-24.

## **1.4 Registration of the current Petition and Public Hearing Process**

SLDC has filed the Petition for Truing up for FY 2021-22 and Determination of ARR and SLDC Fees and Charges for FY 2023-24 on 14<sup>th</sup> December, 2022. After Technical Validation of the True-Up Petition for FY 2021-22, ARR and determination of SLDC Charges for FY 2022-23, it was



**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

registered on 28<sup>th</sup> December, 2022, as Case No. 2164 of 2022. As provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, SLDC was directed to publish its application in an abridged form in the newspapers to ensure due public participation.

The Public Notice, inviting objections / suggestions from its stakeholders on the Petition filed by SLDC, was published in the following newspapers:

**Table 1-1: List of Newspapers in which Public Notice was published by the Petitioner**

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	04/1/2023
2	Divya Bhaskar	Gujarati	04/1/2023

The Petitioner also placed the Public Notice and the Petition on its website ([www.sldcguj.com](http://www.sldcguj.com)), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the Petition on or before 3<sup>rd</sup> February, 2023.

The Commission also placed the Petition and additional details received subsequently from the Petitioner on its website ([www.gercin.org](http://www.gercin.org)) for information and study by all the stakeholders.

The Commission also issued a notice for Public Hearing in the following newspapers in order to solicit wider participation by the stakeholders:

**Table 1-2: List of Newspapers Commission issued a notice for public hearing**

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	21/02/2023
2	Divya Bhaskar	Gujarati	21/02/2023
3	Gujarat Samachar	Gujarati	22/02/2023

The Commission did not receive any objections / suggestions from consumers / consumer organizations. The Commission fixed the date for Public Hearing at Commission's Office on 28<sup>th</sup> February, 2023 at 11:30 AM. Nobody represented before the Commission on that day.

## 1.5 Contents of this Order

The Order is divided into Seven Chapters as under: -





- (a) The **First Chapter** provides the background of the Petitioner, the Petition and details of the Public Hearing process and the approach adopted for this Order;
- (b) The **Second Chapter** outlines the summary of SLDC's Petition;
- (c) The **Third Chapter** provides a brief account of the Public Hearing process;
- (d) The **Fourth Chapter** deals with the Truing up for FY 2021-22;
- (e) The **Fifth Chapter** deals with the Aggregate Revenue Requirement (ARR) for FY 2023-24;
- (f) The **Sixth Chapter** deals with the determination of SLDC Fees and Charges for FY 2023-24;
- (g) The **Seventh Chapter** deals with the compliance of directives.

## 1.6 Approach of this Order

The GERC (MYT) Regulations, 2016 provide for Truing up of the previous year and determination of Tariff for the ensuing year.

The Commission, vide Suo-Motu Order No. 7 of 2020 dated 22<sup>nd</sup> December, 2020 and Suo-motu Order dated 24<sup>th</sup> September, 2021 in Petition No. 1995 of 2021, deferred the notification of the Regulations by one year and directed the Licensees / utilities to file the tariff application for the FY 2021-22 and FY 2022-23 respectively. Similarly, the Commission vide its Order in Suo-Motu Petition No. 2140 of 2022 dated 20<sup>th</sup> October, 2022 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2021-22 and for determination of ARR and Tariff for FY 2023-24 on or before 30<sup>th</sup> November, 2022 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016.

SLDC has approached the Commission with the present Petition for Truing up for FY 2021-22 and determination of ARR and SLDC Fees and Charges for FY 2023-24.

The Commission has undertaken Truing up for FY 2021-22, based on the submissions of the Petitioner. The Commission has undertaken the computation of Gains and Losses for FY 2021-22, based on the audited annual accounts and prudence check.

While truing up for FY 2021-22, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the Tariff Order, unless the Commission considers that there are valid reasons for revision of the same.



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

---

- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for FY 2021-22 has been considered, based on the GERC (MYT) Regulations, 2016.

The Commission has undertaken Determination of ARR and SLDC Fees and Charges for FY 2022-23 as per the GERC (MYT) Regulations, 2016 and its amendments thereof as the base. Truing up of FY 2021-22 shall be carried out based on the principles and methodology adopted in GERC (MYT) Regulations, 2016.



## 2 Summary of SLDC's Petition

### 2.1. Introduction

This Chapter highlights the summary of the Petition for True-up of FY 2021-22 and Determination of ARR and SLDC Fees and Charges for FY 2023-24.

### 2.2. Truing up for FY 2021-22

SLDC submitted the Petition on 15<sup>th</sup> December, 2022 seeking approval of Truing up of ARR for FY 2021-22. SLDC has worked out its Aggregate Revenue Requirement (ARR) for FY 2021-22 as a part of the True-Up of FY 2021-22. SLDC has presented the actual cost components based on audited annual accounts for FY 2021-22. A summary of the proposed ARR for Truing up for FY 2021-22 compared with the ARR approved for FY 2021-22 in the Tariff Order dated 31<sup>st</sup> March, 2021 is presented in the Table below:

**Table 2-1: Summary of Truing up for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Operation & Maintenance Expenses	2,810.25	3,176.28	(366.03)
1.1	Employee Cost	2,103.62	2,437.55	(333.93)
1.2	Repair & Maintenance	206.39	400.91	(194.52)
1.3	Administration & General Charges	500.24	337.82	162.42
2	Interest on Working Capital	39.64	38.91	0.73
3	Charges for ULDC & Other related Projects	295.74	506.91	(211.17)
4	Less: Non-Tariff Income	1,089.48	887.81	201.67
5	<b>Operating Cost Budget (a)</b>	<b>2,056.15</b>	<b>2,834.28</b>	<b>(778.13)</b>
6	Depreciation	416.78	252.74	164.04
7	Interest & Finance Charges	23.95	66.60	(42.65)
8	Return on Equity	161.36	132.02	29.34
9	<b>Total Fixed Costs</b>	<b>602.09</b>	<b>451.36</b>	<b>150.73</b>
10	Less: Expenses Capitalized	-	-	-
11	Add: Provision for Tax	184.00	-	184.00
12	<b>Capital Cost Budget (b)</b>	<b>786.09</b>	<b>451.36</b>	<b>334.73</b>
13	<b>Total Revenue Budget (a)+(b)</b>	<b>2,842.23</b>	<b>3,285.64</b>	<b>(443.41)</b>

The proposed sharing of Gain and Loss due to controllable and uncontrollable factors claimed by the Petitioner for FY 2021-22 is shown in the Table below:



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

**Table 2-2: Summary of Controllable and Uncontrollable factors (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable	Gain/(Loss) due to Un- Controllable
1	Operation & Maintenance Expenses	2,810.25	3,176.28	198.66	(564.69)
1.1	Employee Cost	2,103.62	2,437.55		
1.2	Repair & Maintenance	206.39	400.91		
1.3	Administration & General Charges	500.24	337.82		
2	Interest on Working Capital	39.64	38.91		0.73
3	Charges for ULDC & Other related Projects	295.74	506.91		(211.17)
4	Less: Non-Tariff Income	1,089.48	887.81		201.67
5	<b>Operating Cost Budget (a)</b>	<b>2,056.15</b>	<b>2,834.28</b>	<b>198.66</b>	<b>(976.79)</b>
6	Depreciation	416.78	252.74		164.04
7	Interest & Finance Charges	23.95	66.60		(42.65)
8	Return on Equity	161.36	132.02		29.34
9	<b>Total Fixed Costs</b>	<b>602.09</b>	<b>451.36</b>		
10	Less: Expenses Capitalized	-	-		
11	Add: Provision for Tax	184.00	-		184.00
12	<b>Capital Cost Budget (b)</b>	<b>786.09</b>	<b>451.36</b>		
13	<b>Total Revenue Budget (a)+(b)</b>	<b>2,842.23</b>	<b>3,285.64</b>	<b>198.66</b>	<b>(642.06)</b>

### 2.3. ARR and SLDC Charges for FY 2023-24

In accordance with provisions of the GERC (MYT) Regulations, 2016, the ARR for FY 2023-24 has been computed by SLDC as follows:

**Table 2-3: ARR for FY 2023-24 as submitted by SLDC (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 (Projections)
1	Operation & Maintenance Expenses	3,434.44
1.1	Employee Cost	2,351.16
1.2	Administration & General Charges	559.10
1.3	Repairs & Maintenance	524.18
2	Interest on Working Capital	49.96
3	Charges for ULDC & other related projects	506.91
4	Less: Other Income	887.81
5	<b>Operating Cost Budget (a)</b>	<b>3,103.49</b>
6	Depreciation	513.31



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

S. No.	Particulars	FY 2023-24 (Projections)
7	Interest & Finance Charges	96.98
8	Return on Equity	265.21
<b>9</b>	<b>Total Fixed Costs</b>	<b>875.51</b>
10	Less: Expenses Capitalized	-
11	Add: Provision for Tax	-
<b>12</b>	<b>Capital Cost Budget (b)</b>	<b>875.51</b>
<b>13</b>	<b>Total Revenue Requirement (a+b)</b>	<b>3,978.99</b>

SLDC has calculated the SLDC Charges for FY 2023-24 after considering the (Gap)/Surplus of FY 2021-22 as follows:

**Table 2-4: SLDC Charges for FY 2023-24 as submitted by SLDC (Rs. Lakhs)**

S. No.	Particulars	FY 2023-24
1	ARR for 2022-23	3,978.99
2	Less: Revenue (Gap) / Surplus approved in Truing up for FY 2021-22	(575.84)
3	Add: unrecovered impact of 7 <sup>th</sup> Pay Commission for FY 2020-21 (allowances and incentives)	34.88
<b>4</b>	<b>Total SLDC charges (2 - 1)</b>	<b>4,589.71</b>

#### 2.4. Prayer of SLDC to the Commission

1. To admit this Petition seeking True up of FY 2021-22, Aggregate Revenue Requirement for FY 2023-24 and SLDC Fees and Charges for FY 2023-24;
2. To approve the True-up of FY 2021-22 and allow sharing of Gains/(losses) with the Consumers as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2016;
3. To allow recovery of Revenue (Gap)/Surplus of FY 2021-22 as part of SLDC Fee and Charges for FY 2023-24;
4. To approve Aggregate Revenue Requirement for FY 2023-24 as submitted by the Petitioner;
5. Pass suitable orders for implementation of SLDC Fee and Charges proposal for FY 2023-24 for making it applicable from 1<sup>st</sup> April, 2023 onwards;



### **3 Brief Outline of objections raised, response from SLDC and Commission's view**

---

#### **3.1 Public Response to the Petition:**

In response to the public notice inviting objections/suggestions on the Petition filed by SLDC for Truing up for FY 2021-22 and determination of ARR and SLDC Fees and Charges for FY 2023-24 under the GERC (MYT) Regulations, 2016 from the stakeholders, no stakeholders submitted any comments/ suggestions on the Petition.



## 4 Truing up for FY 2021-22

### 4.1 Introduction

This Chapter deals with the Truing up for FY 2021-22. While doing ‘Truing up’ of various components of ARR for FY 2021-22, the actuals for FY 2021-22 are compared with the approved ARR as per the Tariff Order issued on 30<sup>th</sup> March, 2021.

The Commission has analysed each of the components of ARR for FY 2021-22 in the following sections.

### 4.2 Capitalisation and Funding

#### Petitioner’s Submission

SLDC has submitted that the actual capitalisation was Rs. 301.37 Lakh in FY 2021-22 against Rs. 400.00 Lakh approved by the Commission for the year in the Tariff Order dated 30<sup>th</sup> March, 2021, as given in the Table below:

**Table 4-1: Capitalisation claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	Land Acquisition cost	-	-
2	Augmentation/ Upgradation of existing systems	-	16.30
3	Strengthening of communication channels	-	-
4	Additional system / Software planning	-	153.07
5	IT Infrastructure	-	111.46
6	SLDC Building development	-	-
7	Office Equipment	-	20.54
8	Staff recreation facilities	-	-
9	Additional Expenditure	-	-
<b>10</b>	<b>Total</b>	<b>400.00</b>	<b>301.37</b>

#### Commission’s Analysis

The Commission had approved Capitalisation of Rs. 400.00 Lakh for FY 2021-22 in the Order dated 30<sup>th</sup> March, 2021. SLDC has achieved Capitalisation of Rs. 301.37 Lakh, as reported in the Audited Accounts of SLDC.



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

In accordance with the GERC (MYT) Regulations, 2016, the Commission has considered the funding of the actual net addition of asset as per the normative debt:equity ratio of 70:30, as shown in the Table below:

**Table 4-2: Capitalisation and Funding approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	Approved in ARR	Claimed for Truing up	Approved by Commission
1	Capitalisation for the Year	400.00	301.37	301.37
2	Debt	280.00	210.96	210.96
3	Equity	120.00	90.41	90.41
4	Grants	-	-	-

### 4.3 Operations and Maintenance (O&M) Expenses

#### Petitioner's Submission

The Petitioner has claimed actual O&M expenses of Rs. 3,176.28 Lakh in the Truing up for FY 2021-22 against Rs. 2,810.25 Lakh approved for the year in the Order as detailed in the Table below:

**Table 4-3: O&M Expenses claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Employee Cost	2,103.62	2,437.55	(333.93)
2	Administration & General Charges	500.24	337.82	162.42
3	Repairs & Maintenance	206.39	400.91	(194.52)
<b>4</b>	<b>Operation &amp; Maintenance Expenses</b>	<b>2,810.25</b>	<b>3,176.28</b>	<b>(366.03)</b>

#### Employees Expenses

SLDC submitted that Employee expenses are broadly categorized into (1) Salaries and wages (2) Contribution to provident & other funds (3) Staff welfare expenses & (4) Other terminal benefits.

The Employee cost incurred by the company is purely on the basis of the guidelines issued by competent authorities like the state government. The actual employee cost as per profit & loss account for FY 2021-22 were Rs. 2,064.31 Lakhs which excludes Rs. 4.88 Lakhs of Re-measurement of defined benefit plans, and arrears of 7th pay paid in FY 2021-22 amounting to Rs. 404.77 lakhs. The employee cost after including these expenses and excluding the





provision made towards 7<sup>th</sup> Pay Commission of Rs. 36.41 Lakhs works out to Rs. 2437.55 Lakhs.

In past True-up Orders for SLDC and various licensees, the Hon'ble Commission had ruled that the impact in Employee Expenses due to revision in salary shall be considered by the Commission after prudence check as an uncontrollable factor. Accordingly, SLDC has considered Rs. 159.92 lakhs as the impact of implementation of 7th Pay Commission in FY 2021-22 which is being worked out in the present Petition and arrears of 7th pay paid in FY 2021-22 amounting to Rs. 404.77 lakhs as uncontrollable expenses.

The computation of the 7th Pay impact covers impact due to payment of allowances and incentive as per the 7th Pay Commission scale.

The Hon'ble Commission while approving the O&M charges for FY 2021-22 had considered the average of the actual O&M expenses of 3 years, i.e., FY 2017-18, FY 2018-19, and FY 2019-20, as the O&M expenses for FY 2018-19. Further, since the pay revision as per 7th Pay Commission was implemented from August 2017, the impact of Wage Revision has been pro-rated for the entire FY 2017-18, while considering the actual O&M expenses for FY 2017-18. The average O&M expense thus computed for FY 2018-19 has been escalated by escalation factor of 5.72% yearly as specified in the GERC (MYT) Regulations, 2016, for computing the normative O&M expenses of FY 2021-22. Hence, the impact of 7th Pay Commission on the basic salary and related heads (DA, CPF Board Contribution, Pension Fund Board Contribution) has not been considered by SLDC as the Hon'ble Commission had already considered this impact while approving the O&M expenses for FY 2021-22.

However, the actual payments of allowances and incentive as per the 7th Pay Commission scales had not started upto FY 2019-20 and hence these cost elements based on revised pay scale did not form part of the O&M expenses forming base for employee cost projections. Accordingly, the impact of these elements has been considered as uncontrollable as the O&M costs (related to allowances and incentive) approved by the Hon'ble Commission were based on the employee costs as per the 6th Pay Commission scales and the year-on-year escalation of 5.72% approved by the Hon'ble Commission only addressed the inflationary increases in cost and not the revision in salary and consequently the allowances and incentive payable. Accordingly, the impact has been computed by SLDC in the following manner:

- Impact on Allowances: Rs. 140.65 Lakh claimed as uncontrollable expense



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

- The differential between the actual allowances cost booked in the audited accounts for FY 2021-22 and the estimated cost related to allowances as per the 6<sup>th</sup> Pay Commission scale for the same year is considered as the impact of implementation of 7<sup>th</sup> Pay Commission.
- Impact on incentive: Rs. 19.27 lakh claimed as uncontrollable.
- The differential between the actual incentive cost booked in the audited accounts for FY 2021-22 and the estimated cost related to incentive based on the equalised rate of incentive under the 6<sup>th</sup> Pay Commission for FY 2021-22 is considered as the impact of the 7<sup>th</sup> pay Commission implementation for the year.

Accordingly, SLDC has worked out impact of Rs. 159.92 lakhs due to implementation of 7<sup>th</sup> Pay Commission and claimed it as uncontrollable employee expenses along with the actual wage revision arrears of Rs. 404.77 lakh paid during the year.

Further, it is submitted that SLDC, during the truing up of FY 2020-21 in Case No. 2027 of 2021 had inadvertently missed out identifying the impact of implementation of 7<sup>th</sup> Pay Commission on the allowances and incentives as uncontrollable for the purpose of sharing of gains and losses. The allowances and incentive as per the 7<sup>th</sup> Pay Commission scales was paid from FY 2020-21 onwards and hence the impact is to be considered as uncontrollable i.e. not covered under the O&M expenses approved by the Hon'ble Commission for FY 2020-21. As SLDC had not claimed this amount as an "uncontrollable" cost while working out the sharing of gains/losses for FY 2020-21, there was a lower entitlement of O&M expenses approved by the Hon'ble Commission while approving the truing up of FY 2020-21.

SLDC has worked out the differential amount in the entitlement of the O&M expenses for FY 2020-21 as given below:

#### Differential amount of entitlement of O&M expenses for FY 2020-21 (Claimed in the ARR for FY 2023-24)

Rs. In Lakhs						
Particulars	Approved in the MYT Order	Actual as per Audited Accounts in Truing up	Deviation +/-	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors	Net entitlement
1	2	3	4 = 2-3	5 = (2-3 and Impact of 7th Pay Commission)	6 = (2-3 and Impact of 7th Pay Commission)	7 = [1 - (1/3rd of 5) - 6]
O&M Expenses As approved in the Order in Case No. 2026 of 2021	2,692.48	2,348.82	343.66	343.66	-	2,577.93



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

Revised O&M Expenses computation considering Impact of 7th pay impact	2,692.48	2,348.82	343.66	395.98	(52.32)	2,612.81
					<b>Difference to be claimed</b>	<b>34.88</b>

The differential recovery works out to Rs. 34.88 Lakh. It is requested to allow this additional recovery through the ARR for FY 2023-24.

Accordingly, SLDC has estimated a deviation of Rs. (333.93) Lakhs on account of controllable and uncontrollable employee cost.

#### **Repair and Maintenance (R&M) Expenses**

The Petitioner has claimed Rs. 400.91 Lakh towards actual R&M Expenses in the truing up for FY 2021-22 as against Rs. 206.39 Lakh approved for the year in the Tariff Order dated 30th March, 2021. The Petitioner submitted that R&M Expenses have been incurred in order to maintain the asset quality given the ageing of equipment. SLDC submitted that it has negated the ULDC Charges in order to arrive at the R&M Expenses for FY 2021-22, as the expenses related to ULDC have been considered under a separate head. SLDC submitted that the main reason for deviation between the approved and actual R&M expenses is due to increase in expenses related to AMC of various projects.

#### **Administration & General (A&G) Expenses**

The Petitioner has claimed Rs. 337.82 Lakh towards actual A&G Expenses in the truing up for FY 2021-22 against Rs. 500.24 Lakh approved for the year in the Order dated 30th March, 2021. The Petitioner submitted that these expenses mainly comprise conveyance and travel, legal charges, telephone charges, electricity charges, etc.

SLDC has claimed the Gain/Losses against O&M expenses due to controllable and uncontrollable factors, as detailed in the Table below:

**Table 4-4: Gain/ (Loss) claimed from O&M Expenses for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	O&M Cost	2,810.25	3,176.28	198.66	(564.69)



### Commission's Analysis

The O&M expenses comprise Employees Expenses, R&M Expenses and A&G Expenses. The Commission has verified the actual expenses incurred against each head in FY 2021-22 from the Audited Accounts.

As regards Employees Expenses, it is observed that the variation between the approved and actual employee expenses is on account of the actual impact of 7<sup>th</sup> Pay Commission. As per audited annual accounts, the Employees Expenses are Rs. 2,064.31 Lakh. Further, SLDC submitted that after including actual 7<sup>th</sup> pay paid during FY 2021-22 and excluding provision for 7<sup>th</sup> Pay Commission, the net employee cost is to the tune of Rs. 2,437.55 Lakhs. As the amount paid to employees is on account of 7<sup>th</sup> Pay arrears and incentive and allowances, thus, Commission allows the same.

Hence, the Commission has allowed the controllable gains of Rs. 230.77 Lakh. The Re-measurement of Defined Benefit Plan for FY 2021-22 as reflected in the Audited Accounts of SLDC stands at Rs. 4.88 Lakh. The Contribution to Provident Fund, Terminal Benefits and Staff Welfare Expenses have been considered at actuals in the Truing up for FY 2021-22. The Total Employees Expenses approved after truing up for FY 2021-22 works out to Rs. 2,437.55 Lakh. As the actual Employees Expenses are higher than the approved Employees Expenses, the loss on account of controllable factors has been shared in accordance with the GERC (MYT) Regulations, 2016, as elaborated subsequently in this Chapter. Regarding the Petitioner's claim about consideration of Rs. 34.48 Lakhs related to truing up of FY 2020-21 through the ARR of FY 2023-24, it is to state that the Commission has taken appropriate view while determining ARR for FY 2023-24.

As regards R&M Expenses, the ULDC charges of Rs. 506 Lakh have been considered separately, and hence, have been reduced from the R&M Expenses of Rs. 907.82 Lakh reflected in the Audited Accounts. The Total R&M Expenses approved after truing up for FY 2021-22 works out to Rs. 400.91 Lakh, as claimed by the Petitioner. However, as the actual R&M Expenses are higher than the approved R&M Expenses, the efficiency loss on account of controllable factors has been shared in accordance with the GERC (MYT) Regulations, 2016, as elaborated subsequently in this Chapter.

As regards A&G Expenses, from the Audited Accounts of SLDC, it is observed that the main contributors are travelling and conveyance, rent, rates and taxes, and electricity charges. The total A&G Expenses approved after truing up for FY 2021-22 works out to Rs. 337.82 Lakh, as claimed by the Petitioner. However, as the actual A&G Expenses are lower than the



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

approved A&G Expenses, the efficiency gain on account of controllable factors has been shared in accordance with the GERC (MYT) Regulations, 2016, as elaborated subsequently in this Chapter.

The Total O&M Expenses approved by the Commission in the truing up for FY 2021-22 is shown in the Table below:

**Table 4-5: Operation & Maintenance Expenses approved for FY 2021-22 (Rs. Lakhs)**

Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in True-up
Employee Cost	2,103.62	2,437.55	2,437.55
Administration & General Charges	500.24	337.82	337.82
Repairs & Maintenance	206.39	400.91	400.91
<b>Operation &amp; Maintenance Expenses</b>	<b>2,810.25</b>	<b>3,176.28</b>	<b>3,176.28</b>

**The Commission approves the O&M Expenses at Rs. 3,176.28 Lakh in the Truing up for FY 2021-22.**

Under Regulation 22 of the GERC (MYT) Regulations, 2016, the O&M expenses are controllable in nature except the expenses on account of actual pay out towards wage revision. As stated earlier, the Commission has not considered the amount claimed by SLDC against actual pay out of Pay Commission arrears. Accordingly, the Commission has computed the Gain/(Loss), as given in the Table below:

**Table 4-6: Operation & Maintenance Expenses and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	Approved in True-up	Deviation	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	O&M Cost	2,810	3,176	(366)	199	(565)

#### 4.4 Depreciation

##### Petitioner's Submission

The Petitioner has claimed Rs. 252.74 Lakh towards depreciation for FY 2021-22, against Rs. 416.78 Lakh approved by the Commission for the year in the Order dated 30th March, 2021, as given in the Table below:



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

**Table 4-7: Depreciation claimed for FY 2021-22 (Rs. Lakhs)**

Particulars	Approved in Tariff Order	FY 2021-22 Actual
Gross Block in Beginning of the year	3,574.44	2,925.09
Additions during the Year (Net)	400.00	301.37
Closing GFA	3,974.44	3,226.46
<b>Depreciation</b>	<b>416.78</b>	<b>252.74</b>
<i>Wt. avg. rate of depreciation</i>	<i>11.04%</i>	<i>8.22%</i>

SLDC has claimed Rs. 164.04 Lakh as Gain from Depreciation due to uncontrollable factors, as detailed in the Table below:

**Table 4-8: Gain/ (Loss) claimed from Depreciation for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Depreciation	416.78	252.74		164.04

**Commission's Analysis**

The Commission in accordance with the GERC (MYT) Regulations, 2016 has computed the allowable depreciation for FY 2021-22. The opening GFA of FY 2021-22 has been considered same as the closing GFA of FY 2020-21, as approved in the truing-up for FY 2020-21 in the Tariff Order dated 30th March, 2022. The addition to GFA has been considered based on capitalisation approved in earlier Section of this Order. The Commission has considered weighted average depreciation rate of 8.22% based on the depreciation rate specified in the GERC (MYT) Regulations, 2016 for individual asset class. The Depreciation approved after truing up for FY 2021-22 is shown in the Table below:

**Table 4-9: Gross Fixed Assets and Depreciation approved for FY 2021-22 (Rs. Lakhs)**

Particulars	Tariff Order	Actual	Approved in True-up
Gross Block in Beginning of the year	3,574.44	2,925.09	2,925.09
Additions during the Year (Net)	400.00	301.37	301.37
Closing GFA	3,974.44	3,226.46	3,226.46
Average Asset	3,774.44	3,075.77	3,075.77
<b>Depreciation</b>	<b>416.78</b>	<b>252.74</b>	<b>252.74</b>
<i>Wt. avg. rate of depreciation</i>	<i>11.04%</i>	<i>8.22%</i>	<i>8.22%</i>



**The Commission accordingly, approves Depreciation of Rs. 252.74 Lakh for FY 2021-22.**

As depreciation is an uncontrollable factor, the Commission approves the sharing of Gain/(Loss) as shown in the Table below:

**Table 4-10: Depreciation and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

Particulars	Approved in Tariff Order	Approved in True-up	Deviation	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
Depreciation	416.78	252.74	164.04		164.04

**The Commission accordingly approves the Gain of Rs. 164.04 Lakh on account of uncontrollable factors against depreciation.**

#### 4.5 Interest and Finance Charges

##### Petitioner's Submission

The Petitioner has claimed Rs. 66.60 Lakh towards interest and finance charges in the Truing up for FY 2021-22, as against Rs. 23.95 Lakh approved for the year in the Tariff Order dated 30th March, 2021. SLDC submitted that it has considered the closing loan balance of FY 2020-21 as approved in the previous True-up Order as opening loan balance for FY 2021-22. SLDC has considered the addition in loans for FY 2021-22 based on the Opening and Closing Balance of Loans as per accounts. Repayment has been considered as equal to depreciation in line with the GERC (MYT) Regulations, 2016 to the extent of available loan balance. The interest rate has been considered same as the weighted average interest rate of GETCO, i.e., 6.40%. The interest and finance charges claimed by SLDC in the truing up for FY 2021-22, is shown in the Table below:

**Table 4-11: Interest and Finance Charges Claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Opening Loans	381.58	-	381.58
2	Loan Additions during the Year	280.00	210.96	485.82
3	Repayment during the Year	416.78	210.96	
4	Closing Loans	244.79	-	244.79
5	Average Loans	313.18	-	313.18
6	<b>Interest on Loan</b>	23.95	66.60	(42.65)



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
7	Other Finance Charges	-	-	-
<b>8</b>	<b>Total Interest &amp; Financial Charges</b>	<b>23.95</b>	<b>66.60</b>	<b>(42.65)</b>
<b>9</b>	<b>Weighted Average Rate of Interest on Loan</b>	<b>7.65%</b>	<b>6.40%</b>	

SLDC has claimed Rs. 42.65 Lakh as loss from Interest and Finance Charges due to uncontrollable factors, as detailed in the Table below:

**Table 4-12: Gain/ (Loss) claimed from Interest & Finance Charges for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest & Finance Charges	23.95	66.60		(42.65)

**Commission's Analysis**

The Commission has examined the submission of SLDC. The opening loan of FY 2021-22 has been considered same as the closing loan of FY 2020-21, as approved in the truing up for FY 2020-21 in the Tariff Order dated 30<sup>th</sup> March, 2022. The funding of capitalisation through debt has been considered as approved earlier in this Chapter.

The repayment of loans during the year has been considered equal to the depreciation approved for FY 2021-22. As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Transmission Licensee shall be considered as the rate of interest. As per the aforesaid Regulation and the data provided by SLDC, the Commission has considered the weighted average interest rate as 5.52% and applied the same on the normative loan amount. Nil other finance charges claimed by SLDC have been approved in line with the actual expenses as per the Audited Accounts. The Commission has approved the interest on normative loans in the truing up for FY 2021-22, as detailed in the Table below:

**Table 4-13: Interest and Finance Charges approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in True-up
1	Opening Loans	381.58	-	-
2	Loan Additions during the Year	280.00	210.96	210.96





**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in True-up
3	Repayment during the Year	416.78	210.96	210.96
4	Closing Loans	244.79	-	-
5	Average Loans	313.18	-	-
<b>6</b>	<b>Interest on Loan</b>	<b>23.95</b>	<b>66.60</b>	<b>-</b>
7	Other Finance Charges	-	-	-
<b>8</b>	<b>Total Interest &amp; Financial Charges</b>	<b>23.95</b>	<b>66.60</b>	<b>-</b>
<b>9</b>	<b>Weighted Average Rate of Interest on Loan</b>	<b>7.65%</b>	<b>6.40%</b>	<b>5.52%</b>

**The Commission accordingly, approves Interest and Finance Charges as NIL for FY 2021-22.**

As interest is an uncontrollable factor, the Commission approves the sharing of Gain/(Loss) as shown in the Table below:

**Table 4-14: Interest and Finance Charges and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation + / (-)	Gain/ (Loss) due to Controllable Factor	Gain/ (Loss) due to Uncontrollable Factor
1	Interest & Finance Charges	23.95	-	23.95		23.95

**The Commission accordingly approves the Gain of Rs. 23.95 Lakh on account of uncontrollable factors against interest and finance charges.**

#### **4.6 Interest on Working Capital**

##### **Petitioner's Submission**

The Petitioner has submitted that Interest on Working Capital (IoWC) for FY 2021-22 is computed at Rs. 38.91 Lakh, as against Rs 39.64 Lakh approved for the year in the Tariff Order dated 30th March, 2021. SLDC has submitted that normative IoWC has been computed in accordance with the GERC (MYT) Regulations, 2016. The IoWC is claimed @9.50%, being weighted average of the 1-year SBI MCLR during FY 2021-22 plus 250 basis points in line with the GERC (MYT) Regulations, 2016. The normative IoWC claimed by SLDC in the truing up of FY 2021-22 is shown in the Table below:



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

**Table 4-15: Interest on Working Capital claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	O & M expenses (1 Month)	234.19	264.69
2	Maintenance Spares (1% of opening GFA)	35.74	29.25
3	Receivables (15 days)	116.80	115.65
<b>4</b>	<b>Total Working Capital</b>	<b>386.74</b>	<b>409.59</b>
5	<i>Rate of Interest on Working Capital</i>	<i>10.25%</i>	<i>9.50%</i>
<b>6</b>	<b>Interest on Working Capital</b>	<b>39.64</b>	<b>38.91</b>

SLDC has submitted the Loss from IoWC due to uncontrollable factors, as detailed in the Table below:

**Table 4-16: Gain/(Loss) from IoWC claimed for FY 2021-22 (Rs. Lakh)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest on Working Capital	39.64	38.91		0.73

**Commission's Analysis**

The Commission has examined the submissions made by the Petitioner. IoWC is to be allowed on normative basis, as per Regulation 40.3 of the GERC (MYT) Regulations, 2016. The working capital requirement comprises one month's O&M expenses, maintenance spares at 1% of opening GFA, and receivables equivalent to 15 days of expected revenue from SLDC Charges.

The Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 7.00% prevailing during FY 2021-22 plus 250 basis points as the interest rate. Accordingly, the rate of interest is considered as 9.50%.

Based on the O&M Expenses and other expenses now approved in the Truing up, the normative Working Capital requirement and IoWC thereon calculated at 9.50%, are detailed in the Table below:

**Table 4-17: Interest on Working Capital approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing up
1	O & M expenses (1 Month)	234.19	264.69	264.69



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing up
2	Maintenance Spares (1% of opening GFA)	35.74	29.25	29.25
3	Receivables (15 days)	116.80	115.65	115.65
<b>4</b>	<b>Total Working Capital</b>	<b>386.74</b>	<b>409.59</b>	<b>409.59</b>
5	Rate of Interest on Working Capital	10.25%	9.50%	9.50%
<b>6</b>	<b>Interest on Working Capital</b>	<b>39.64</b>	<b>38.91</b>	<b>38.91</b>

**The Commission, accordingly, approves Interest on Working Capital at Rs. 38.91 Lakh in the Truing up for FY 2021-22.**

The Commission considers IoWC as uncontrollable, since the components forming part of the Working Capital are mostly uncontrollable. The Commission, accordingly, approves the Gain/(Loss) on account of IoWC in the Truing up for FY 2021-22, as detailed in the Table below:

**Table 4-18: Interest on Working Capital and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	Approved in True- up	Deviation + / (-)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest on Working Capital	39.64	38.91	0.73		0.73

**The Commission accordingly approves the Gain of Rs. 0.73 Lakh on account of uncontrollable factors against IoWC.**

#### 4.7 Return on Equity

##### Petitioner's Submission

SLDC has claimed Rs. 132.02 Lakh towards RoE in the Truing up for FY 2021-22, as against Rs. 161.36 Lakh approved for the year in the Tariff Order. SLDC has submitted that the RoE has been computed @ 14% as specified in the GERC (MYT) Regulations, 2016. The deviation in RoE is considered as uncontrollable factor. SLDC does not have its own equity, and debt and equity of SLDC are considered in proportion of the GETCO debt:equity ratio in FY 2021-22. The RoE claimed by SLDC in the truing up for FY 2021-22 is shown in the Table below:

**Table 4-19: Return on Equity claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	Opening Equity Capital	1,092.60	897.79



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
2	Equity Additions during the Year	120.00	90.41
3	Closing Equity	1,212.60	988.20
4	Average Equity	1,152.60	943.00
5	<i>Rate of Return on the Equity</i>	14%	14%
<b>6</b>	<b>Return on Equity</b>	<b>161.36</b>	<b>132.02</b>

SLDC has submitted the Gain from RoE due to uncontrollable factors, as detailed in the Table below:

**Table 4-20: Gain/(Loss) from RoE claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	161.36	132.02		29.34

**Commission's Analysis**

The Commission has examined the submission of SLDC. RoE is allowed on the average equity deployed during the year considering the Opening Equity and Addition to Equity. The Opening Equity of FY 2021-22 has been considered same as the closing equity of FY 2020-21, as approved in the truing up for FY 2020-21 in the Tariff Order dated 30th March, 2022. The funding of capitalisation through equity has been considered as approved earlier in this Chapter. Accordingly, the Commission has computed the RoE in the truing up for FY 2021-22, as detailed in the Table below:

**Table 4-21: Return on Equity approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing up
1	Opening Equity Capital	1,092.60	897.79	897.79
2	Equity Additions during the Year	120.00	90.41	90.41
3	Closing Equity	1,212.60	988.20	988.20
4	Average Equity	1,152.60	943.00	943.00
5	<i>Rate of Return on the Equity</i>	14%	14%	14%
<b>6</b>	<b>Return on Equity</b>	<b>161.36</b>	<b>132.02</b>	<b>132.02</b>

**The Commission approves RoE at Rs. 132.02 Lakh in the Truing up for FY 2021-22.**



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

The Commission is of the view that RoE depends on the amount of capitalisation during the financial year and the parameters affecting the capitalisation are uncontrollable in nature. Hence, the factors affecting RoE are uncontrollable. The Commission accordingly approves the Gain and Loss on account of RoE in the Truing up for FY 2021-22, as detailed in the Table below:

**Table 4-22: Return on Equity and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	161.36	132.02		29.34

**The Commission accordingly approves the Gain of Rs. 29.34 Lakh on account of uncontrollable factors against RoE.**

#### 4.8 ULDC and SCADA Upgradation Charges

##### Petitioner's Submission

The Power Grid Corporation of India Ltd. (PGCIL) conceptualized a Unified Load Despatch and Communication (ULDC) Scheme for strengthening the load despatch infrastructure and augmenting communication system for efficient discharge of load despatch functions. The scheme covered investment in RLDCs at the Central level and SLDCs at the State level.

CERC issued an Order in this regard for approval of charges for ULDC Scheme in the Western Region for the period from 1.2.2006. Accordingly, the Central portion charges shall be shared by beneficiaries/constituents in the Western Region in the ratio of Central Generating capacity allocation, including the allocation from unallocated capacity from the Central Generating stations. Inter-regional export/import of power, whether bilateral or multilateral, would not affect the sharing of ULDC charges. The State portion charges shall be shared by the States in proportion to respective capital cost as on 31.3.2006.

The ULDC Charges incurred by SLDC for FY 2021-22 as shown below have been accounted as per the actual bills received:

**Table 4-23: ULDC & SCADA Upgradation Charges claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	ULDC & SCADA Upgradation Charges	295.74	506.91	(211.17)



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

The variation between the approved and actual ULDC & SCADA Upgradation Charges is considered uncontrollable as shown in the Table below:

**Table 4-24: Gain/(Loss) from ULDC & SCADA Upgradation Charges claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/ (Loss) due to Uncontrollable Factor
1	Charges for ULDC & Other related Projects	295.74	506.91		(211.17)

**Commission's Analysis**

The Commission has examined the submission made by the Petitioner for payment of ULDC Charges. The Commission is of the view that ULDC Charges are required to be paid by SLDC as a member of the Western Regional System as per the directives of WRLDC and WRPC. The Commission has also observed that with the increased complexity of grid and advancement of IT system, it is utmost necessary to adopt the latest available software/hardware for the SCADA system.

**The Commission accordingly approves ULDC and SCADA Upgradation Charges at Rs. 506.91 Lakh as per the Audited Accounts in the Truing up for FY 2021-22, as shown in the Table below:**

**Table 4-25: ULDC & SCADA Upgradation Charges approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing up
1	ULDC & SCADA Upgradation Charges	295.74	506.91	506.91

The Commission approves the Gain and Loss on account of ULDC Charges in the Truing up for FY 2021-22, as detailed in the Table below:

**Table 4-26: ULDC & SCADA Upgradation Charges and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/ (Loss) due to Uncontrollable Factor
1	Charges for ULDC & Other related Projects	295.74	506.91		(211.17)



The Commission accordingly approves the Loss of Rs. 211.17 Lakh on account of uncontrollable factors against ULDC & SCADA Upgradation Charges.

#### 4.9 Income Tax

##### Petitioner's Submission

The Petitioner has submitted that tax on the income stream is computed as an expense and is to be recovered from the beneficiaries. GETCO makes a consolidated tax payment including SLDC. The Petitioner has claimed NIL as income tax in the Truing up for FY 2021-22 as per audited accounts of SLDC, as shown in the Table below:

**Table 4-27: Proposed Income Tax for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Provision for Taxation	184.00	-	184.00

##### Commission's Analysis

The Commission has verified the Income Tax as claimed by SLDC from the audited annual accounts and found that the Income Tax as NIL is accounted by SLDC as an expense in their books of account.

The Commission approves the Income Tax as NIL and deviation of Rs. 184.00 Lakh as gain on account of uncontrollable factors in the truing up for the FY 2021-22, as given in the Table below:

**Table 4-28: Approved Income Tax for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Truing up)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Income Tax	184.00	0.00		184.00

#### 4.10 Non-Tariff Income

##### Petitioner's Submission

SLDC submitted that it is earning revenue from sources other than the core business activities and this Non-Tariff Income is deducted from the ARR to arrive at the net ARR of the SLDC as per the GERC (MYT) Regulations, 2016.



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

SLDC further submitted that the Hon'ble Commission vide its Order in Case No. 2027 of 2021 had noted that up to 31st March, 2020 the balance remaining in SLDC fund is Rs. 2,164.63 Lakh and the balance remained unchanged in FY 2021-22 as well. Accordingly, in line with the approach adopted by the Hon'ble Commission in its last tariff order, SLDC has considered a notional interest of Rs. 151.52 Lakhs as part of the non-tariff interest. The notional interest has been calculated using the interest rate equal to weighted average 1-year SBI MCLR (which works out to 7%) on the average unspent balance. The head-wise details of actual Non-Tariff Income are shown in the Table below:

**Table 4-29: Non-Tariff Income claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Penalties received from suppliers & contractors	3.72	2.93	
2	Scheduling & System operation charges	919.94	623.10	
3	Miscellaneous Receipts	8.16	109.88	
4	Supervision Income from execution of Deposit work	3.06	-	
5	Reversal of Expected Credit Loss	1.07	-	
6	Gain on sale of fixed assets (net of loss)	-	0.38	
7	Notional Interest on SLDC Fund arising pursuant to APTEL Judgments	153.53	151.52	
<b>8</b>	<b>Net Non-Tariff Income</b>	<b>1,089.48</b>	<b>887.81</b>	<b>201.67</b>

The variation between the approved and actual Non-Tariff Income is considered uncontrollable, as shown in the Table below:

**Table 4-30: Gain/(Loss) from Non-Tariff Income claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Non-Tariff income	1,089.48	887.81		201.67

### Commission's Analysis

The Non-Tariff Income earned by SLDC is deducted from the ARR to arrive at the net ARR of the SLDC as per the GERC (MYT) Regulations, 2016. The Commission had approved Non-Tariff Income of Rs. 1,089.48 Lakh for FY 2021-22 in the Tariff Order for SLDC based on SLDC submissions.





## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

The Commission has verified the actual Non-Tariff Income from the Audited Accounts of SLDC for FY 2021-22.

As stated earlier in this Order, the Petitioner is having unspent balance of SLDC Funds. In line with the approach stated while approving the Fund, the Commission has considered the interest rate equal to weighted average 1-year SBI MCLR and worked out the notional interest on the average unspent balance.

**The total Non-Tariff Income approved by the Commission in the Truing up of FY 2021-22 is shown in the Table below:**

**Table 4-31: Non-Tariff Income approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing-up
1	Penalties received from suppliers & contractors	3.72	2.93	2.93
2	Scheduling & System operation charges	919.94	623.10	623.10
3	Miscellaneous Receipts	8.16	109.88	109.88
4	Supervision Income from execution of Deposit work	3.06	-	-
5	Reversal of Expected Credit Loss	1.07	-	-
6	Gain on sale of fixed assets (net of loss)	-	0.38	0.38
7	Notional Interest on SLDC Fund arising pursuant to APTEL Judgments	153.53	151.52	151.52
<b>8</b>	<b>Net Non-Tariff Income</b>	<b>1,089.48</b>	<b>887.81</b>	<b>887.81</b>

The Commission approves the Gain and Loss on account of Non-Tariff Income in the Truing up for FY 2021-22, as detailed in the Table below:

**Table 4-32: Non-Tariff Income and Gain/(Loss) approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Truing-Up)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Non-Tariff income	1,089.48	887.81		201.67

#### 4.11 Claimed and Approved Fixed Costs

The Fixed Charges approved in the Tariff Order for FY 2021-22, claimed by SLDC in the truing up, and approved by the Commission after truing up, are summarized in the Table below:



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

**Table 4-33: Fixed Costs Approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Approved in Truing up	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Operation & Maintenance Expenses	2,810.25	3,176.28	3,176.28	198.66	(564.69)
1.1	Employee Cost	2,103.62	2,437.55	2,437.55	230.77	(564.69)
1.2	Repair & Maintenance	206.39	400.91	400.91	(194.52)	
1.3	Administration & General Charges	500.24	337.82	337.82	162.42	
2	Interest on Working Capital	39.64	38.91	38.91		0.73
3	Charges for ULDC & Other related Projects	295.74	506.91	506.91		(211.17)
4	Less: Non-Tariff Income	1,089.48	887.81	887.81		201.67
<b>5</b>	<b>Operating Cost Budget (a)</b>	<b>2,056.15</b>	<b>2,834.28</b>	<b>2,834.28</b>	<b>198.66</b>	<b>(976.79)</b>
6	Depreciation	416.78	252.74	252.74		164.04
7	Interest & Finance Charges	23.95	66.60	-		23.95
8	Return on Equity	161.36	132.02	132.02		29.34
<b>9</b>	<b>Total Fixed Costs</b>	<b>602.09</b>	<b>451.36</b>	<b>384.76</b>	<b>-</b>	<b>217.33</b>
10	Less: Expenses Capitalized	-	-	-		
11	Add: Provision for Tax	184.00	-	-		184.00
<b>12</b>	<b>Capital Cost Budget (b)</b>	<b>786.09</b>	<b>451.36</b>	<b>384.76</b>	<b>-</b>	<b>401.33</b>
<b>13</b>	<b>Total Revenue Budget (a)+(b)</b>	<b>2,842.23</b>	<b>3,285.64</b>	<b>3,219.04</b>	<b>198.66</b>	<b>(575.46)</b>

#### 4.12 Revenue Surplus for FY 2021-22

##### Petitioner's Submission

The Petitioner has claimed a Revenue Gap of Rs. 576 Lakh during FY 2021-22 as given in the Table below:

**Table 4-34: Revenue (Gap) /Surplus claimed for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Actual)
1	ARR approved in Tariff Order dated 30 <sup>th</sup> March, 2021 for FY 2021-22	2,842
2	Less: (Gap)/Surplus of FY 2019-20	28
3	Less: Gain / (Loss) on account of Un-Controllable factor to be passed on to Beneficiaries for FY 2021-22	(642)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Beneficiaries (1/3rd of Total Gain / (Loss) for FY 2021-22	199
5	Pass through as Tariff	(576)



**State Load Despatch Centre**

**Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24**

S. No.	Particulars	FY 2021-22 (Actual)
<b>6</b>	<b>Total ARR for FY 2021-22</b>	<b>3,390</b>
7	Revenue from SLDC charges	2,814
<b>8</b>	<b>Revenue (Gap) / Surplus for FY 2021-22</b>	<b>(576)</b>

The Petitioner has requested the Commission to consider the Revenue Gap of Rs. 576 Lakh for FY 2021-22 while deciding the Tariff for FY 2023-24.

**Commission's Analysis**

Regulation 23 and 24 of the GERC (MYT) Regulations, 2016 provide for sharing of Gain or Loss on account of uncontrollable and controllable factors. Accordingly, the Revenue Gap/(Surplus) approved by the Commission for FY 2021-22 is summarized in the Table below:

**Table 4-35: Revenue (Gap) /Surplus approved for FY 2021-22 (Rs. Lakhs)**

S. No.	Particulars	FY 2021-22 (Actual)	Approved in Truing-Up
1	ARR approved in Tariff Order dated 30 <sup>th</sup> March, 2021 for FY 2021-22	2,842	2,842
2	Less: (Gap)/Surplus of FY 2020-21	28	28
3	Less: Gain / (Loss) on account of Un-Controllable factor to be passed on to Beneficiaries for FY 2021-22	(642)	(575)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Beneficiaries (1/3rd of Total Gain / (Loss) for FY 2021-22	199	66
5	Pass through as Tariff	(576)	(509)
<b>6</b>	<b>Total ARR for FY 2021-22</b>	<b>3,390</b>	<b>3,323</b>
7	Revenue from SLDC charges	2,814	2,814
<b>8</b>	<b>Revenue (Gap) / Surplus for FY 2021-22</b>	<b>(576)</b>	<b>(509)</b>

**Accordingly, the Commission approves the Revenue Gap of Rs. 509 Lakh in the Truing up for FY 2021-22 after adjustment of past period Gap. This gap is carried forward to the ARR of FY 2022-23 for determination of SLDC Fees and Charges.**



## 5 Determination of Aggregate Revenue Requirement (ARR) for FY 2023-24

### 5.1 Introduction

This Chapter deals with the determination of ARR for SLDC for FY 2023-24.

### 5.2 Capital Expenditure

#### Petitioner's Submission

SLDC submitted that it plays a vital role as grid operator for the State and is involved in round-the-clock operations. With the increasing scale of operation on year-to-year basis and also to support various new challenges envisaged in the forthcoming years, it is required to strengthen and upgrade the existing system to cater to the system demands. Hence, it is imperative for SLDCs to use State-of-the-art equipment with adequate redundancy provided to safeguard against failures.

SLDC has proposed Capital Expenditure totalling Rs. 2,285 Lakh for FY 2023-24 as detailed in the Table below:

**Table 5-1: Proposed Capital Expenditure Plan for The Period FY 2023-24 (Rs. Lakh)**

Particulars	FY 2023-24 Projections
Augmentation/ Upgradation of existing customers (systems)	400
Additional system / Software planning	1,485
IT Infrastructure	250
Additional Expenditure	150
<b>Total</b>	<b>2,285</b>

#### Augmentation/Upgradation of existing System

SLDC submitted that it is essential to ensure that IT and other important infrastructure need to be upgraded at pre-defined interval to ensure the reliable function of equipment at SLDC. In this regard SLDC is looking forward to strengthening its existing infrastructure by upgrading the existing software, hardware and other related accessories.



### **Additional System / Software Planning**

Additional System/Software Planning represents requirement of software for existing system running with old version of software. The large portion of existing software is planned to be upgraded with additional procurement for evolving need of SLDC. The main areas for system / software additions are Centralized database storage system, Simulator for offline study system tools, Remote access system, e-Bidding & electronic Cash Transfer system, Reporting tools, procurement of new application software.

### **IT Applications & Infrastructure**

IT Infrastructure represents capital initiatives directed at maintaining and, as necessary, enhancing the overall technology backbone of SLDC. The most systems within the SLDC, most of the IT infrastructure has been in service for a number of years, in many instances dating back to 2003 or earlier which was shifted from LD Jambuva to SLDC Gotri. Therefore, investment in the SLDCs infrastructure in the area of IT applications & infrastructure is necessary to reasonably ensure the information backbone of SLDC remains effective, reliable, and efficient. In this regard SLDC is looking forward to strengthen its IT Security System, upgrading the current Network System and establishing a Video Conferencing System between SLDC and RLDC.

### **Additional Expenditure**

To monitor the real time data of various RE Generators and important equipment, it is required to establish the communication network and need to install the devices in the field which can capture and send the required data to the control centre.

### **Commission's Analysis**

SLDC has projected a Capital Expenditure of Rs. 2,285 Lakh in FY 2023-24. The Commission notes the justification given by SLDC for the higher CAPEX. For the purpose of approving the ARR of SLDC for FY 2023-24, the Commission has considered the Capex of Rs. 2,285 Lakh for FY 2023-24 as proposed by SLDC. However, SLDC is at liberty to undertake all proposed Projects to discharge its function effectively as an independent system operator, and actual capex and capitalisation achieved by SLDC shall be subject to final adjustments as per Regulations/ Prudence check at the time of truing up.

## **5.3 Capitalisation & Funding of CAPEX**



### Petitioner's Submission

SLDC has submitted that it would capitalize the projected CAPEX in the same year and accordingly claimed the capitalization and funding thereof as given in the Table below:

**Table 5-2: Funding of Capex for FY 2023-24 (Proposed) (Rs. Lakh)**

Particulars	FY 2023-24 Projections
Capitalization	2,285.00
Funding through Debt	1,599.50
Funding through Equity	685.50

### Commission's Analysis

The Commission has observed that there is a huge variation in Approved vis-à-vis actual capitalisation achieved during last three years by SLDC. The actual vis-à-vis projected capitalisation for last three years is tabulated as under:

**Table 5-3 Capitalisation Actual V/s Projected for last 3 Years (Rs. Lakh)**

Financial Year	Approved	Actual
FY 2019-20	1,095	348
FY 2020-21	966	317
FY 2021-22	400	301
<i>Average</i>	<i>820</i>	<i>322</i>

It is clearly seen from the above table that SLDC has not able to achieve the approved capitalisation, therefore, the Commission has considered the last three year average capitalisation achieved to allow capitalisation for FY 2023-24, as detailed in the table below:

**Table 5-4: Funding of Capex for FY 2023-24 (Approved) (Rs. Lakh)**

Particulars	FY 2023-24 Projections	Approved
Capitalization	2,285.00	322.05
Funding through Debt	1,599.50	225.44
Funding through Equity	685.50	96.62

## 5.4 Fixed Charges for FY 2023-24

Total fixed charges for FY 2023-24 have been categorized into following elements:



- O&M expenses
  - Employee cost
  - Administration and General expenses
  - Repairs and Maintenance expenses
- Depreciation
- Interest and Finance charges
- Interest on Working Capital
- Return on Equity

## **5.5 Operation and Maintenance (O&M) Expenses for FY 2023-24**

### **Petitioner’s Submission**

SLDC submitted that O&M expenses have been calculated by escalating the approved O&M of FY 2022-23. The annual escalation factor of 5.72% has been considered for Employee expenses, A&G and R&M expenses on the approved expenses of FY 2022-23 to arrive at O&M expenses for FY 2022-23, as specified by the Commission in the GERC (MYT) Regulations, 2016.

SLDC further submitted that in addition to above, there is an additional requirement of O&M expenses of Rs. 293.50 Lakhs on account of new AMC contracts that are required to be executed by SLDC for upkeep of the equipment / software. This additional requirement is considered under the Repairs & Maintenance Expenses cost head. The Hon’ble Commission is requested to approve this additional requirement considering that this requirement is important for the operations of the SLDC.

SLDC has projected the O&M expenses at Rs. 3,434.44 Lakh for FY 2023-24, as shown in the Table below:

**Table 5-5: O&M Expenses projected for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	FY 2023-24 Projection
1	Employee Cost	2,351.16
2	Administration & General Charges	559.10
3	Repairs & Maintenance Charges	524.18



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

S. No.	Particulars	FY 2023-24 Projection
4	Operation & Maintenance Expenses	3,434.44

#### Commission's Analysis

The Commission observes that actual O&M expenses have been lower than approved normative O&M expenses in recent years. Under normal circumstances, the Commission would have revised the O&M norms based on analysis of actual O&M expenses, while framing the GERC (MYT) Regulations for the next Control Period, including FY 2022-23. However, as stated earlier, due to unavoidable circumstances, there is a delay in framing the GERC (MYT) Regulations for the next Control Period, and hence, the applicability of the GERC (MYT) Regulations, 2016 has been extended by one year, to include FY 2023-24 also. Hence, the Commission has derived the O&M norms for FY 2023-24 based on approved O&M Expenses in the previous year, by considering the annual escalation factor of 5.72% over the actual O&M expenses of previous years.

The O&M expense thus computed for FY 2022-23 has been escalated by escalation factor of 5.72% yearly as specified in the GERC (MYT) Regulations, 2016, for computing the normative O&M expenses of FY 2023-24.

AMC contracts under R&M expenses of amount Rs. 293.50 Lakhs has not been considered by Commission, the same will be allowed as and when the same is being actually incurred by SLDC.

Thus, the Commission approves the O&M Expenses for FY 2023-24 as detailed in the table below:

**Table 5-6: O&M Expenses approved for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projection	Approved
1	Employee Cost	2,351.16	2,351.16
2	Administration & General Charges	559.10	559.10
3	Repairs & Maintenance Charges	524.18	230.68
4	<b>Operation &amp; Maintenance Expenses</b>	<b>3,434.44</b>	<b>3,140.94</b>

**The Commission accordingly approves the O&M expenses for FY 2023-24 as Rs. 3,140.94 Lakh.**





## 5.6 Depreciation

### Petitioner's Submission

SLDC has submitted that the Depreciation for FY 2023-24 has been computed on the basis of average depreciation rate for FY 2021-22 as per the audited accounts and the addition to the GFA is considered as per the projected capitalization. The Depreciation projected by SLDC for FY 2023-24 is detailed in the Table below:

**Table 5-7: Proposed Depreciation for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections
1	Gross Block in Beginning of the year	5,104.46
2	Additions during the Year (Net)	2,285.00
3	Closing GFA	7,389.46
4	Average Asset	6,246.96
<b>5</b>	<b>Depreciation</b>	<b>513.31</b>
6	<i>Wt. avg. rate of depreciation</i>	<i>8.22%</i>

### Commission's Analysis

The Commission has considered the Closing Block of Fixed Assets of FY 2021-22 as approved in the truing up for FY 2021-22, as the Opening Block of Fixed Assets for FY 2022-23. The additions during FY 2022-23 are considered as approved for the year in the Tariff Order dated 30th March, 2022, while the asset addition during FY 2023-24 is considered as approved in Table 5-4 of this Order. The rate of depreciation is considered at the actual rate of depreciation for FY 2021-22 approved in this Order. Accordingly, the Commission has computed the depreciation for FY 2023-24 as given in the Table below:

**Table 5-8: Approved Depreciation for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections	Approved
1	Gross Block in Beginning of the year	5,104.46	5,104.46
2	Additions during the Year (Net)	2,285.00	322.05
3	Closing GFA	7,389.46	5,426.51
4	Average Asset	6,246.96	5,265.49
<b>5</b>	<b>Depreciation</b>	<b>513.31</b>	<b>432.67</b>
6	<i>Wt. avg. rate of depreciation</i>	<i>8.22%</i>	<i>8.22%</i>



The Commission accordingly approves the depreciation of Rs 432.67 Lakh for FY 2023-24.

## 5.7 Interest and Finance Charges

### Petitioner's Submission

The Petitioner submitted that the funding for new capital expenditure has been assumed to be undertaken at a normative debt:equity ratio of 70:30 in accordance with the GERC (MYT) Regulations, 2016 and accordingly the new loan additions during the year have been estimated. Weighted average rate of interest on the actual loan portfolio as on 1st April, 2021 considered for GETCO, i.e., 6.40%, is also considered for SLDC. As specified in the GERC (MYT) Regulations, 2016, repayment is considered equivalent to depreciation for the year. SLDC has projected the Interest and Finance Charges at Rs. 96.98 Lakh for FY 2023-24 in the ARR Petition. The details of Interest and Finance Charges submitted by SLDC for FY 2023-24 are given in the Table below:

**Table 5-9: Proposed Interest and Finance Charges for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections
1	Opening Loans	972.32
2	Loan Additions	1,599.50
3	Repayment during the Year	513.31
4	Closing Loans	2,058.51
5	Average Loans	1,515.42
<b>6</b>	<b>Interest on Loan</b>	<b>96.98</b>
7	Other Financial Charges	-
<b>8</b>	<b>Total Interest &amp; Financial Charges</b>	<b>96.98</b>
9	<i>Weighted Average Rate of Loan</i>	6.40%

### Commission's Analysis

The Commission has examined the interest and finance charges projected by SLDC for FY 2023-24. The Commission has approved the capitalisation and the funding of the Capitalisation at Table 5-4 of this Order. The loan for SLDC is being considered from the loan portfolio of GETCO and hence, the weighted average rate of interest of 5.52% applicable for GETCO loan portfolio is considered as interest rate for SLDC. The addition of loans is approved at Table 5-4 of this Order. Repayment is considered equivalent to



Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

approved depreciation in accordance with the GERC (MYT) Regulations, 2016. However, in line with the approach adopted in the truing up for FY 2021-22, depreciation to be considered as repayment has been limited to the extent of loan balance available. The details of Interest and Finance Charges approved for FY 2023-24 are given in the Table below:

**Table 5-10: Approved Interest and Finance Charges for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections	Approved
1	Opening Loans	972.32	972.32
2	Loan Additions	1,599.50	225.44
3	Repayment during the Year	513.31	432.67
4	Closing Loans	2,058.51	765.09
5	Average Loans	1,515.42	868.71
<b>6</b>	<b>Interest on Loan</b>	<b>96.98</b>	<b>47.97</b>
7	Other Financial Charges	-	-
<b>8</b>	<b>Total Interest &amp; Financial Charges</b>	<b>96.98</b>	<b>47.97</b>
9	Weighted Average Rate of Loan	6.40%	5.52%

The Commission approves the Interest and Finance Charges at Rs. 47.97 Lakh for FY 2023-24.

## 5.8 Return on Equity

### Petitioner's Submission

SLDC has submitted that the funding for new capital expenditure in FY 2023-24 has been assumed to be undertaken at a normative debt:equity ratio of 70:30 in accordance with the GERC (MYT) Regulations, 2016 and accordingly the new equity addition during the year has been estimated. The Return on Equity submitted by SLDC for FY 2023-24 are given in the Table below:

**Table 5-11: Proposed Return on Equity for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections
1	Opening Equity Capital	1,551.60
2	Equity Additions during the Year	685.50
3	Closing Equity	2,237.10



S. No.	Particulars	FY 2023-24 Projections
4	Average Equity	1,894.35
5	Rate of Return on the Equity	14%
<b>6</b>	<b>Return on Equity</b>	<b>265.21</b>

### Commission's Analysis

The RoE has been computed on the opening balance of equity and approved equity addition during FY 2023-24. The rate of RoE as per the GERC (MYT) Regulations, 2016 is 14%. The Commission has approved the debt and equity funding of Capitalisation for FY 2023-24 earlier in this Chapter. The closing equity for FY 2021-22 has been considered as the opening equity for FY 2022-23. The equity addition in FY 2022-23 has been considered as approved in the Tariff Order, and the closing equity for FY 2022-23 has been considered as the opening equity for FY 2023-24. Further, in line with the approach adopted in the truing up for FY 2021-22, the Commission has considered balance depreciation after adjusting against loan repayment, towards equity reduction. The Commission has computed the RoE as detailed in the Table below:

**Table 5-12: Approved Return on Equity for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections	Approved
1	Opening Equity Capital	1,551.60	1,551.60
2	Equity Additions during the Year	685.50	96.62
3	Closing Equity	2,237.10	1,648.22
4	Average Equity	1,894.35	1,599.91
5	Rate of Return on the Equity	14%	14%
<b>6</b>	<b>Return on Equity</b>	<b>265.21</b>	<b>223.99</b>

**The Commission approves Return on Equity at Rs. 223.99 Lakh for FY 2023-24.**

## 5.9 Interest on Working Capital

### Petitioner's Submission

SLDC has submitted that IoWC has been computed based on the norms specified in the GERC (MYT) Regulations, 2016.

Interest rate for computation of working capital has been considered in line with Regulation 40.3 (b) of the GERC (MYT) Regulations, 2016, i.e., the 1-year SBI MCLR as on 1st April of



the financial year in which the Petition is filed plus 250 basis points, which works out to 9.50%.

SLDC has projected the interest on working capital at Rs. 49.96 Lakh for FY 2023-24, as given in the Table below:

**Table 5-13: Proposed interest on working capital for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections
1	O&M expenses	286.20
2	Maintenance Spares	51.04
3	Receivables	188.62
<b>4</b>	<b>Total Working Capital</b>	<b>525.87</b>
5	<i>Rate of Interest on Working Capital</i>	<i>9.50%</i>
<b>6</b>	<b>Interest on Working Capital</b>	<b>49.96</b>

### Commission's Analysis

The IoWC has been computed based on norms specified in the GERC (MYT) Regulations, 2016, as detailed in the Table below.

**Table 5-14: Approved interest on working capital for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projections	Approved
1	O&M expenses	286.20	261.74
2	Maintenance Spares	51.04	51.04
3	Receivables	188.62	165.18
<b>4</b>	<b>Total Working Capital</b>	<b>525.87</b>	<b>477.97</b>
5	<i>Rate of Interest on Working Capital</i>	<i>9.50%</i>	<i>9.50%</i>
<b>6</b>	<b>Interest on Working Capital</b>	<b>49.96</b>	<b>45.41</b>

The Commission approves the Interest on Working Capital as Rs. 45.41 Lakh for FY 2023-24.

## 5.10 Income Tax

### Petitioner's Submission

The actual Tax paid for FY 2021-22 is considered as the Income Tax for FY 2023-24 as per Regulation 41.3 of the GERC (MYT) Regulations, 2016. Thus, SLDC has projected Income Tax as NIL for FY 2023-24.



### Commission's Analysis

Regulation 41.1 of the GERC (MYT) Regulations, 2016, specifies that the Commission in the Tariff Order shall provisionally approve Income Tax payable for ensuing year, based on the actual Income Tax paid as per the latest audited accounts available for the applicant, subject to prudence check. The latest audited accounts available for SLDC is for FY 2021-22 and the Income Tax as per audited accounts for FY 2021-22 is NIL.

The Commission, accordingly, approves the Income Tax as per audited accounts for FY 2021-22 for FY 2023-24 as NIL.

## 5.11 ULDC & Other Related Charges

### Petitioner's Submission

SLDC submitted that the ULDC Charges for FY 2023-24 are considered same as ULDC Charges of FY 2021-22. Thus, SLDC has projected ULDC and Other Related Charges at Rs. 506.91 Lakh for FY 2023-24, as given in the Table below:

**Table 5-15: Proposed ULDC & Other Related Charges for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	FY 2023-24 Projection
1	ULDC Charges	506.91

### Commission's Analysis

The Commission has observed that SLDC has projected ULDC charges of FY 2023-24 same as FY 2021-22. The Commission approves these charges for FY 2023-24 as given in the Table below:

**Table 5-16: Approved ULDC & Other Related Charges for FY 2023-24 (Rs. Lakh)**

S. No.	Particulars	FY 2023-24 Projection	Approved
1	ULDC Charges	506.91	506.91

**The Commission approves the ULDC & Other Related Charges as Rs. 506.91 Lakh for FY 2023-24.**

## 5.12 Non-Tariff Income

SLDC has submitted that it has estimated Non-Tariff Income for FY 2023-24 same as actual Non-Tariff Income in FY 2021-22 as per audited accounts, as shown in the Table below:



**Table 5-17: Proposed Non-Tariff Income for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	FY 2022-23 Projection
1	Non-Tariff Income	887.81

### Commission's Analysis

The Commission observed that the Non-Tariff Income of Rs. 887.81 Lakh as projected by the Petitioner for FY 2023-24 is actual Non-Tariff Income for FY 2021-22. The Total Non-Tariff Income approved by the Commission for FY 2023-24 is shown in the Table below:

**Table 5-18: Approved Non-Tariff Income for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	FY 2022-23 Projection	Approved
1	Non-Tariff Income	887.81	887.81

**The Commission accordingly approves Rs. 887.81 Lakh as Non-Tariff Income for FY 2023-24.**

### 5.13 Approved ARR for SLDC for FY 2023-24

The Fixed Charges claimed by SLDC in the projection for FY 2023-24 and approved by the Commission are summarized in the Table below:

**Table 5-19: Approved ARR for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	FY 2023-24 (Projections)	Approved
1	Operation & Maintenance Expenses	3,434	3,141
1.1	Employee Cost	2,351	2,351
1.2	Administration & General Charges	559	559
1.3	Repairs & Maintenance	524	231
2	Interest on Working Capital	50	45
3	Charges for ULDC & other related projects	507	507
4	Less: Other Income	888	888
<b>5</b>	<b>Operating Cost Budget (a)</b>	<b>3,103</b>	<b>2,805</b>
6	Depreciation	513	433
7	Interest & Finance Charges	97	48
8	Return on Equity	265	224
<b>9</b>	<b>Total Fixed Costs</b>	<b>876</b>	<b>705</b>
10	Less: Expenses Capitalized	-	-



State Load Despatch Centre

Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

S. No.	Particulars	FY 2023-24 (Projections)	Approved
11	Add: Provision for Tax	-	-
12	<b>Capital Cost Budget (b)</b>	<b>876</b>	<b>705</b>
13	<b>Total Revenue Requirement (a+b)</b>	<b>3,979</b>	<b>3,510</b>





## 6 Determination of SLDC Fees and Charges for FY 2023-24

The Table below summarizes the ARR approved by the Commission for FY 2023-24:

**Table 6-1: ARR approved for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	Approved for FY 2023-24
1	Operation & Maintenance Expenses	3,141
1.1	Employee Cost	2,351
1.2	Administration & General Charges	559
1.3	Repairs & Maintenance	231
2	Interest on Working Capital	45
3	Charges for ULDC & other related projects	507
4	Less: Other Income	888
<b>5</b>	<b>Operating Cost Budget (a)</b>	<b>2,805</b>
6	Depreciation	433
7	Interest & Finance Charges	48
8	Return on Equity	224
<b>9</b>	<b>Total Fixed Costs</b>	<b>705</b>
10	Less: Expenses Capitalized	-
11	Add: Provision for Tax	-
<b>12</b>	<b>Capital Cost Budget (b)</b>	<b>705</b>
<b>13</b>	<b>Total Revenue Requirement (a+b)</b>	<b>3,510</b>

Further, the Petitioner have claimed Rs. 34.88 Lakhs pertaining to FY 2020-21 to be recovered through ARR for FY 2023-24 stating that the said amount is uncontrollable expense related to payment made to employees towards incentive and allowance paid from FY 2020-21 onwards and hence the impact is to be considered as uncontrollable i.e. not covered under the O & M expenses approved by the Commission for FY 2020-21 and SLDC had not claimed this amount as an uncontrollable cost while working out sharing of gains/ losses for 2020-21. In this regard, it is to state that truing up of FY 2020-21 has been concluded by the Commission vide order dated 30th March 2022 and has attained finality. Any changes in the concluded trued up figures amounts to review of the Order of the Commission. This being impermissible, the Commission do not allow to pass the claim of Rs. 34.88 Lakhs through the ARR of FY 2023-24.



## State Load Despatch Centre

### Truing Up for FY 2021-22 and Determination of ARR and Tariff for FY 2023-24

The approved ARR of Rs. 3,510 Lakh for FY 2023-24 has been adjusted with the Revenue Gap approved in the truing up for FY 2021-22, as given in the table below:

**Table 6-2: SLDC Fees & Charges approved for FY 2023-24 (Rs. Lakhs)**

S. No.	Particulars	Approved for FY 2023-24
1	ARR for 2023-24	3,510
2	Add: Impact of 7 <sup>th</sup> Pay	0.00
3	Less: Revenue (Gap) / Surplus approved in Truing up for FY 2021-22	(509)
4	<b>Total SLDC charges (1 - 2)</b>	<b>4,019.31</b>

The Commission, accordingly, approves the annual SLDC Charges at Rs 4,019.31 Lakh for FY 2023-24, and the grid connection fees at Rs. 10,000/- (Rupees Ten thousand only). The total annual SLDC Charges as approved above, shall be recoverable as per the formula specified in Regulation 82 of the GERC (MYT) Regulations, 2016.



## 7 Compliance of Directives and New Directives

---

### 7.1 Compliance to Directives issued by the Commission

The Commission has provided certain directives to SLDC. SLDC has submitted a report on compliance of the Directives issued by the Commission. The comments of the Commission on the submission/compliance of SLDC are given below:

**Directive 1:** The Commission directed SLDC to submit details of Sign change violation Penalties paid at State Periphery on a six-monthly basis.

**Compliance by SLDC:**

SLDC has submitted compliance to directive vide SLDC Letter No. GETCO/SLDC/GERC/Directives /1241 dated 15<sup>th</sup> October, 2022.

**Commission's Comment:**

The Commission has noted the submission of SLDC in this regard. SLDC is directed to submit the details of above directions on quarterly basis.

**Directive 2:** The Commission directed SLDC to submit half-yearly report on status of Capex allowed to it for strengthening the Load Despatch Centre to discharge its functions effectively as an Independent System Operator.

**Compliance by SLDC:**

SLDC has submitted compliance to directive vide SLDC Letter No. GETCO/SLDC/GERC/Directives /1242 dated 13<sup>th</sup> October, 2022.

**Commission's Comment:**

The Commission has noted the submission of SLDC in this regard. SLDC is directed to submit the details of above directions on quarterly basis.

**Directive 3:** The Commission directed SLDC to directed to submit the records of deviation from Scheduling of RE Generation by all generators above 1 MW.

**Compliance by SLDC:**

SLDC has submitted compliance to directive vide SLDC Letter No. GETCO/SLDC/GERC/Directives /1241 dated 15<sup>th</sup> October, 2022.



**Commission's Comment:**

The Commission has noted the submission of SLDC in this regard. SLDC is directed to submit the details of above directions on quarterly basis.

**Directive 4:** The Commission directed SLDC to follow the ABT and Forecasting/ scheduling process as per the Commission's Orders and Regulations and any non-compliance or non-adherence of Regulation(s)/Order(s) by any concerned / Generator / licensee shall be dealt with as per rules and reported to the Commission on regular basis.

**Compliance by SLDC:**

SLDC has submitted compliance to directive vide SLDC Letter No. GETCO/SLDC/GERC/Directives /1241 dated 15<sup>th</sup> October, 2022.

**Commission's Comment:**

SLDC is directed to adhere to the applicable Regulations / Orders of the Commissions and necessary reporting / compliance to be done accordingly.



## COMMISSION'S ORDER

The Commission approves SLDC Fees and Charges for FY 2023-24 as shown in the Table below:

### SLDC Fees & Charges for FY 2023-24

S. No.	Particulars	Unit	Approved for FY 2023-24
1	ARR for 2023-24	Rs. Lakh	3,510.06
2	Add: Impact of 7 <sup>th</sup> Pay	Rs. Lakh	0.00
3	Less: Revenue (Gap) / Surplus approved in Truing up for FY 2021-22	Rs. Lakh	(509.24)
4	<b>Total SLDC charges (1 - 2)</b>	Rs. Lakh	<b>4,019.31</b>
5	<b>Grid Charges</b>	Rs.	<b>10,000</b>

This Order shall come into force with effect from 1<sup>st</sup> April, 2023.

-Sd-

**S.R. PANDEY**  
Member

-Sd-

**MEHUL M. GANDHI**  
Member

-Sd-

**ANIL MUKIM**  
Chairman

Place: Gandhinagar

Date: 31.03.2023

