

**Reply to 1st set of Data Gaps raised by the Hon'ble Commission vide
Letter No. BERC-Tariff Case No.- 25/2023/001, dated 27.11.2023 on
Tariff Petition filed by BSPTCL for the FY 2024-25**

1. *Regulatory Accounts for FY 2022-23: Regulation 13(b) of BERC (Multi-year Transmission Tariff and SLDC Charges) Regulations, 2021 specify true up of expenses shall be on the basis of expense estimates made in the beginning of the year under consideration, actual expenses booked in the audited books of accounts of the Transmission Licensee or SLDC, as the case may be, for the year, and after prudence check of data by the Commission.*

Regulation 2(3) specify "Audited accounts or Audited Accounting Statements" for the purpose of licensed or regulated business shall mean (Audited) Regulatory Accounts prepared in accordance with BERC (Power Regulatory Accounting) Regulations, 2018

Regulation 2(14) specify "Books of Accounts" for the purpose of licensed or regulated business shall mean Regulatory Books of Accounts drawn up in accordance with BERC (Power Regulatory Accounting) Regulations, 2018

Regulatory accounts along with audit certificate may be furnished.

Reply: BSPTCL respectfully submits that the Accounts have been prepared in accordance with the provisions of Indian Accounting Standards (INDAS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("Act") read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. Further, BSPTCL submits that audit of the accounts has been done in accordance with Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013.

However, BSPTCL further submits that it will be able to prepare the Regulatory Accounts after full implementation of SAP/ERP system. In view of the above, it is requested to the Hon'ble Commission to kindly consider & allow the same.

True up for FY 2022-23:

2. *Depreciation: Total depreciation considered for computing weighted average rate of depreciation is at Rs. 527.57 crore (492.90+34.67) as shown in Table 3.5 and Table 3.6 of the petition. Whereas, the depreciation as per audited accounts is at Rs. 514.22 crore (Note 2 of the accounts).*

Form 7.3 also depict depreciation at Rs. 514.22 crore. The difference may be reconciled and revised table 3.5 and 3.6 may be furnished.

Considering the depreciation on opening Depreciable assets the weighted average rate of depreciation works out to 5.09%. Comments if any may be furnished.

Reply: BSPTCL respectfully submits that it has considered the closing balance of GFA excluding land of Rs. 9417.61 Cr. (i.e. Rs. 8738.97Cr. + Rs. 678.64 Cr.) as approved by the Hon'ble Commission in Table No. 4.11 (Page No. 25) of the Tariff Order dated 21st March, 2023 for computation of weighted average rate of depreciation on opening asset applicable for the FY 2022-23. Further, it has considered the GFA addition as per audited annual accounts of FY 2022-23 to compute the depreciation on GFA addition during the year.

Further, BSPTCL has also considered the approved closing GFA of Rs. 10,785.97 Cr. (Table No. 4.8 page No. 22 of the Tariff Order dated 21st March, 2023) as opening GFA for the FY 2022-23 and accordingly computed depreciation for the FY 2022-23.

It is further submitted that in the audited annual accounts actual GFA balance of BSPTCL for the FY 2022-23 has been considered whereas in the petition BSPTCL has considered the closing balance of GFA for the FY 2021-22 approved by the Hon'ble Commission as opening GFA for FY 2022-23 and has accordingly computed the depreciation for true up of expenses for the respective years.

It is submitted that the Hon'ble Commission has considered two different figures of GFA in its Tariff Order dated 21st March 2023. The Hon'ble Commission has approved the closing GFA as Rs. 10,785.97 Cr. in Table No. 4.8 of the Tariff Order whereas at table No. 4.11 the Commission has considered Rs. 10,940.88 Cr. including Land (Rs. 10,242.04 Cr. + Rs. 698.84 Cr.) for computation of weighted average rate of depreciation.

However, BSPTCL respectfully submits that it has computed the depreciation in accordance with BERC MYT Tariff Regulations 2021 and accordingly claimed Rs. 410.65 Cr. by considering weighted average rate of depreciation at 5.23% on opening GFA and 2.65% on GFA addition during the year for true up of Expenses for the FY 2022-23 (Table 3-7, Page No. 29-30 of the main Petition).

3. *Opening depreciable assets: The opening depreciable assets shall be considered based on the closing depreciable assets approved in true up for FY 2021-22. Closing depreciable assets approved in true up for FY 2021-22 is at Rs. 9317.45 crore, however the opening depreciable assets is considered at Rs. 9262.70 crore in table 3.7. Reasons along with reconciliation of figures may be furnished.*

Reply: BSPTCL respectfully submits that it has considered the approved closing balance of GFA of Rs. 10,785.97 Cr. (Table No. 4.8 Page No. 22) and excluded the value of land of Rs. 1,523.27 Cr. (Table No. 4.11 Page No. 25) as approved by the Hon'ble Commission in its Tariff order dated 21st March 2023.

It is submitted that the Hon'ble Commission has considered two different figures of GFA in its Tariff Order dated 21st March 2023. The Hon'ble Commission has approved the closing GFA as Rs. 10,785.97 Cr. in Table No. 4.8 of the Tariff Order whereas at

table No. 4.11 the Commission has considered Rs. 10,940.88 Cr. including Land (Rs. 10,242.04 Cr. + Rs. 698.84 Cr.) as closing GFA of FY 2021-22.

4. *Actual Employee expenses (Terminal benefits Rs. 37.63 crore): Details for the amount may be reported along with the nature of payment i.e. contribution made towards future benefits of the employees and payments made towards Pensionary benefits to the employees retired from service.*

Reply: The details of Terminal benefit of Rs. 37.63 Cr. is attached as **Annexure - 1**.

5. *Weighted average rate of interest for FY 2022-23: The weighted average rate of interest is claimed at 8.56%. detailed computation statement may be furnished.*

Reply: BSPTCL respectfully submits that it has adopted the methodology as considered by the Hon'ble Commission in Table No. 4.17 and Table No. 4.18 of the Tariff Order dated 21st March 2023 and accordingly it has considered the Weighted average rate of MCLR of Canara Bank applicable for the FY 2022-23 and further considered the actual loan portfolio of FY 2022-23 for computation of weighted average rate of Interest on Normative loan for the FY 2022-23. The details of the computation is as follows:

From Date	To Date	No. of Days	Base Rate	Base Rate
01-04-2022	06-04-2022	6	7.25%	0.44
07-04-2022	06-05-2022	30	7.25%	2.18
07-05-2022	06-06-2022	31	7.35%	2.28
07-06-2022	06-07-2022	30	7.40%	2.22
07-07-2022	06-08-2022	31	7.50%	2.33
07-08-2022	06-09-2022	31	7.65%	2.37
07-09-2022	06-10-2022	30	7.75%	2.33
07-10-2022	06-11-2022	31	7.90%	2.45
07-11-2022	06-12-2022	30	8.10%	2.43
07-12-2022	06-01-2023	31	8.15%	2.53
07-01-2023	11-02-2023	36	8.35%	3.01
12-02-2023	11-03-2023	28	8.50%	2.38
12-03-2023	31-03-2023	20	8.60%	1.72
		365		7.85%

Sl. No.	Particulars	FY 2022-23					
		Amount Outstanding	Addition during the year	Repayment during the year	Closing Loan	Average Loan	Rate of Interest
1	Loan from Financial Institution- Canara Bank	2,550.00	650.00	-	3,200.00	2,875.00	7.85%
2	Loan from ADB	464.13	-	-	464.13	464.13	13.00%
	Total	3,014.13	650.00	-	3,664.13	3,339.13	8.56%

Therefore, BSPTCL requests the Hon'ble Commission to consider the same for computation of weighted average rate of interest on Normative Loan.

6. *Capex and Capitalisation (Work-wise Statement Annexure-III): Under the Name of Element "Common Pool" opening CWIP of Rs. 369.74 crore, Capex of Rs. 136.81 crore and closing CWIP of Rs. 506.55 crore is depicted (Sl. No. 135 of the Annexure- III). Details for the amount along with justification for classifying the works under Common Pool may be furnished.*

Reply: BSPTCL submits that in absence of Fixed Assets Register, Opening Balance of few of the old projects lying in the common pool is reflected as Opening Balance of CWIP of Rs. 369.74 Cr.

Further, BSPTCL submits that it has received loans on consolidated basis, and it is not project specific loan. Therefore, the interest attributable towards capital works has been considered as capex during the year in common pool. However, it is submitted that the BSPTCL has computed the total IDC of a particular project after completion of the project and has accordingly capitalised the same with the respective Project.

However, BSPTCL is making all efforts to resolve the issues of Common Pool. Therefore, BSPTCL requests the Hon'ble Commission to consider the same at this stage.

7. *IDC Rs. 59.54 crore: IDC is claimed on/against the works capitalised under State Plan works. Details of payment of interest to State Government may be furnished along with relevant payment documents/vouchers.*

It is observed from the list of projects furnished in the Annexure-III, IDC of Rs. 59.54 crore for FY 2022-23 is claimed to be capitalised relating to State Plan works. However, the closing CWIP in respective of said works resulting in negative due to excess capitalisation or non-routing of IDC through CWIP. Details may be verified and reasons may be reported.

Reply: BSPTCL respectfully submits the details of payment of IDC as **Annexure - 2.**

Further, BSPTCL respectfully submits that it has received loans on consolidated basis, and it is not project specific loan, accordingly, IDC in respect of each project has been computed only at the time of capitalization of the same. Therefore, BSPTCL requests the Hon'ble Commission to consider & allow the same.

8. *Transmission Availability Factor (TAF): Regulation 16.2 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations 2021 specify that the actual availability shall be calculated in accordance with the procedure provided in Appendix-II to these Regulations and shall be certified by the State Load Despatch Centre (SLDC) as per the format specified in Appendix - I of these Regulations.*

Month-wise TAF calculations along with the SLDC certificates may be furnished for FY 2022-23 in accordance with the regulation 16.2.

Reply: BSPTCL respectfully submits the month-wise TAF computation along with the SLDC certificates as **Annexure - 3**.

APR for FY 2023-24:

9. *Half Yearly Accounts/trial balance for the period ended on 30.09.2023 for FY 2023-24 showing the head-wise revenue and expenses and liabilities may be furnished.*

Reply: BSPTCL respectfully submits the half-yearly Accounts/trial balance for the period ended on 30.09.2023 as **Annexure - 4**.

10. *Details of work wise capital investment made and works capitalised during first half year i.e. from 1st April 2023 to 30th September 2023 may be furnished.*

Reply: BSPTCL respectfully submits the details of investment made and work capitalised during half year i.e. from 1st April 2023 to 30th September 2023 as **Annexure - 5**.