

**Submission of Additional Information/
Clarification sought by Hon'ble Commission on
SLDC Tariff Petition for FY 2022-23**

Submitted to Hon'ble BERC

24th December 2021

Reply to Data Gap Queries of SLDC

True up for FY 2020-21

Query 1: Capitalisation Rs. 8.22 crore: Asset-wise breakup details of cost of software and hardware may be furnished.

Reply: As regards Capitalisation of Rs. 8.22 Crore, SLDC submits asset-wise breakup details of cost of software and hardware in the Table below:

Sl. No.	Particulars	Amount (Rs. Crore)
1	Software and Licensing @ DC	6.11
2	Hardware @ DC	1.07
3	Software and Licensing @ DRC	0.25
4	Hardware @ DRC	0.79
5	Total	8.22

Query 2: Depreciation: As per BERC (Multi Year Transmission Tariff & SLDC Charges) Regulations 2018, the rate of depreciation on software is at 30% and Hardware at 15%. Considering depreciation at 15% for FY 2020-21 may be clarified alongwith the depreciation working sheet.

Reply:

SLDC submits that as per BERC MYT Regulations, 2018, the rate of depreciation on software is at 30% and Hardware at 15%. However, due to lack of conclusive evidence regarding cost of software and hardware separately during the finalisation of annual account for FY 2020-21, the depreciation has been booked in the annual accounts for FY 2020-21 considering the depreciation at 15% applicable for Hardware. Accordingly, SLDC has claimed the depreciation as per annual accounts.

The working sheet for depreciation for FY 2020-21 has been provided in Annexure I of this submission.

Query 3: Other finance charges: As per the trial balance (segregated accounts of SLDC) the Bank charges are at Rs. 1,416/-against petitioner's claimed of Rs.0.01 crore may be clarified.

Reply: SLDC submits that it has claimed Other finance charges of Rs. 0.01 Crore inadvertently. SLDC requests the Hon'ble Commission to consider the actual Other finance charges of Rs. 1,416 as per Allocation Statement.

Query 4: Income tax (MAT) on RoE: It is observed from the trial balance (segregated accounts of SLDC) the petitioner has not incurred any expenditure towards IT/MAT during FY 2020-21. Claiming IT/MAT on RoE in true up may be justified.

Reply: SLDC submits that BSPTCL has prepared the joint annual accounts for BSPTCL and SLDC for FY 2020-21, which comprises of expenses and revenue for both the businesses.

BSPTCL has paid MAT of Rs. 25.38 Crore for FY 2020-21 which has been apportioned between BSPTCL and SLDC based on the share of their revenue. Thus, MAT for BSPTCL and SLDC is Rs. 25.17 Crore and Rs. 0.22 Crore, respectively, which is shown in the allocation statement submitted as Annexure II along with the Petition.

Query 5: Non tariff income: As per the trial balance (segregated accounts of SLDC) the nontariff income is at Rs.0.23 crore (STOA charges Rs.0.16 crore and Interest from Banks Rs.0.08 crore) whereas, the petitioner has claimed non tariff income of Rs.0.41 crore. The differences may be reconciled and correct values may be reported.

Reply: SLDC submits that the actual Non Tariff Income is Rs. 0.41 Crore per the updated trial balance for FY 2020-21 based on which SLDC has submitted the Non Tariff Income in the Petition, which is as shown in the Table below:

Sl. No.	Particulars	Amount (Rs. Crore)
1	STOA Charges	0.16
2	Miscellaneous Receipts	0.23
4	Application fee received	0.023
5	Total Non-Tariff Income	0.41

Also, the updated trial balance for FY 2020-21 has been attached as Annexure II of this submission.

APR for FY 2021-22:

Query 1: Trial balance: showing the head-wise revenue and expenses and assets and liabilities for the 1st half year of FY 2021-22 i.e. from 1.04.2021 to 30.09.2021 may be furnished.

Reply: SLDC submits that annual accounts of BSPTCL for FY 2020-21 has been finalised on 15th December, 2021. BSPTCL has not prepared the trial balance for 1st half year of FY 2021-22. SLDC shall submit allocation statement for FY 2021-22 during time of Truing up.

Query 2: Capitalisation Rs.2.37 crore: Asset-wise breakup details of cost of software and hardware may be furnished.

Reply: As regards Capitalisation of Rs.2.37 Crore, SLDC submits asset-wise breakup details of cost of software and hardware as follows:

Sl. No.	Particulars	Amount (Rs. Crore)
1	Software and Licensing @ DC	1.53
2	Hardware @ DC	0.27
3	Software and Licensing @ DRC	0.06
4	Hardware @ DRC	0.51
5	Total	2.37

Query 3: Repairs & Maintenance expenses: R&M norms were not specified for FY 2021-22. R&M expenses shall be considered based on previous year actual with inflationary increase. Further, the R&M percentage works out to 0.24% R&M expenses/Average GFA (0.01/4.11) for FY 2020-21 whereas worked out by SLDC as 0.34% may be clarified

Reply: SLDC submits that in accordance with Regulation 21.2 of BERC MYT Regulations, 2018, R&M expenses shall be computed by considering the opening GFA and percentage point as per norms. Since, the Hon'ble Commission has not determined norms for R&M expenses for the current Control Period, SLDC has computed percentage point of 0.34% on the basis of actual R&M expenses and average GFA of FY 2020-21. Accordingly, SLDC has calculated R&M expenses for FY 2021-22 by considering percentage point of 0.34% and opening GFA for FY 2021-22.

SLDC further submits that the actual percentage point is 0.34% instead of 0.24% computed by the Hon'ble Commission since the percentage point of 0.34% has been calculated in 'R&M_F15' of Petition Format based on the formula by considering the actual R&M expenses (Rs. 0.014 Crore) and average GFA (Rs. 4.11 Crore) of FY 2020-21.

Query 4: A&G expenses: A&G norms were not specified for FY 2021-22. A&G expenses shall be considered based on previous year actual with WPI inflationary increase.

Reply: SLDC submits that for consideration of A&G Expenses, Regulation 21.3 of BERC MYT Regulations, 2018 provides for escalation of base value norms by WPI and CPI in the ratio 60:40. The Hon'ble Commission in its Tariff Order for FY 2021-22, has also approved A&G expenses for FY 2020-21 considering indexation based on WPI and CPI in the ratio 60:40. Therefore, SLDC has computed A&G expenses for FY 2021-22 in accordance with provisions specified in the Regulation 21.3 and methodology adopted by the Hon'ble Commission in Tariff Order for previous year. SLDC has considered actual A&G expenses of FY 2020-21 as base A&G expenses for FY 2021-22 and inflationary increase as 3.85% which is weighted average rate of WPI: CPI in the ratio of 60:40.

ARR for MYT period of FY 2022-23 to FY 2024-25

Query 1: Capital investment projected for FY 2022-23 and FY 2023-24: Details of cost of software and hardware (cost and quantity) may be furnished.

Reply: SLDC has submitted the Capital investment for FY 2022-23 and FY 2023-24 for following projects as shown in Table 4-1 of the Tariff Petition:

Sl. No.	Particulars	Cost (Rs. Crore)
1.	New Computer System	0.048
2.	UPS Battery Set for SAMAST	0.044
3.	Implementation of UNMS	0.40
4.	Total	0.49

However, it has been decided that project on 'Implementation of UNMS' will be undertaken by M/s. PGCIL. Therefore, SLDC requests the Hon'ble Commission to exclude the Capital investment of Rs. 0.40 Crore projected for 'Implementation of UNMS' from the Capital Investment Plan submitted for the Control Period.

SLDC submits software and hardware details of remaining two no. of projects proposed in Capital Investment for FY 2022-23 and FY 2023-24 in the Table below:

SI. No.	Particulars	Nature	Cost (Rs. Crore)
1.	New Computer System	Hardware	0.048
2.	UPS Battery Set for SAMAST	Hardware	0.044
3.	Total		0.092

Query 2: Repairs & Maintenance expenses: R&M norms shall be considered based on last three years operational expenses of GFA and R&M expenses. Since the same are not available (GFA is available from FY 2020-21 onwards), the R&M expenses shall be considered based on base year actual expenses with inflationary increase year on year.

Reply: SLDC submits that in accordance with Regulation 21.2 of BERC MYT Regulations, 2021 R&M expenses shall be computed by considering the opening GFA and percentage point as per norms. Since, the Hon'ble Commission has yet to determine norms for R&M expenses for the Control Period, SLDC has computed R&M expenses for Control Period considering the projected opening GFA for each year of the Control Period and percentage point of 0.34%, which is derived based on actual R&M expenses and average GFA of FY 2020-21.

Capex-SAMAST-PSDF Grant:

Query: Status of PSDF grant for SAMAST project may be reported

Reply: SLDC submits that the Ministry of Power (MoP), Government of India (GoI) has withdrawn the PSDF grant for SAMAST project. The letter of communication with MoP, GoI has been attached as Annexure-III.

Annexure I

Working sheet for depreciation for FY 2020-21

Depreciation for FY 2020-21

31-03-2021

Name of Assets	Opening Date	Date of Addition/ deduction	Rate	Opening Value of GFA	GFA Addition Durring Year	Days for Depreciation	Depreciation		
							Depreciation on Opening Balance	Depreciation on Addition	Total Depreciation
Opening Balance	01-04-2020		15%			364	₹ -	₹ -	₹ -
Samast		23-12-2020	15%		₹ 3,08,24,196	99	₹ -	₹ 12,54,080	₹ 12,54,080
Samast		04-02-2021	15%		₹ 5,13,73,660	56	₹ -	₹ 11,82,298	₹ 11,82,298
Total				₹ -	₹ 8,21,97,856		₹ -	₹ 24,36,378	₹ 24,36,378

Annexure II
Updated trial balance for FY 2020-21

SLDC
Trial Balance
1-Apr-2020 to 31-Mar-2021

Particulars	SLDC			
	1-Apr-2020 to 31-Mar-2021			
	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
Direct Incomes		76193026.00	151693030.00	75500004.00 Cr
SLDC Income		76193026.00	151693030.00	75500004.00 Cr
SLDC CHARGES FROM - NBPDC		2894167.00	2894167.00	
SLDC CHARGES FROM SBPDCL		3397500.00	3397500.00	
SLDC Operating Charges		69901359.00	74860904.00	4959545.00 Cr
SLDC OPERATING CHARGES-HAJIPUR			639100.00	639100.00 Cr
SLDC Operating Charges-NBPDC			32055204.00	32055204.00 Cr
SLDC Operating Charges-SBPDCL			37846155.00	37846155.00 Cr
Indirect Incomes			3918439.41	4148439.41 Cr
Other SLDC Income			1640780.00	1640780.00 Cr
SLDC Charges form Sujeet Khad Bhandar			9130.00	9130.00 Cr
SLDC Charges From Bihar Cement			575000.00	575000.00 Cr
SLDC Charges From ITC Ltd.			479650.00	479650.00 Cr
SLDC Charges From New Bihar Cement			524000.00	524000.00 Cr
SLDC Charges From Ultratech Cement Ltd.			53000.00	53000.00 Cr
Interest From Banks			2277659.41	2277659.41 Cr
Application Fee Received			230000.00	230000.00 Cr
Direct Expenses		64863248.27	133098.00	67166528.27 Dr
Depreciation		2436378.00		2436378.00 Dr
Administrative & General Expenses		241057.00		241057.00 Dr
Telephone Expenses		241057.00		241057.00 Dr
Employee Cost		62097939.00	133098.00	6,19,64,841.00
Dearness Allowance		6860458.00		6860458.00 Dr
Other Allowances		10020652.00	133098.00	9887554.00 Dr
Salaries		40307528.00		40307528.00 Dr
Staff Welfare Expenses		162567.00		162567.00 Dr
Terminal Benefits		4746734.00		4746734.00 Dr
Other Expenses		2382652.27		2382652.27 Dr
Electricity & Power Charges		1941871.00		1941871.00 Dr
Entertainment Charges		139057.00		139057.00 Dr
Misc Expenses		72724.27		72724.27 Dr
Books and Periodicals		9000.00		9000.00 Dr
Fees and Subscriptions		220000.00		220000.00 Dr
Repair and Maintenance		141600.00		141600.00 Dr
R&M of Office Equipments		141600.00		141600.00 Dr
Indirect Expenses		1416.00		1416.00 Dr
Finance Cost		1416.00		1416.00 Dr
Other Interest and Finance charges		1416.00		1416.00 Dr
Bank Charges		1416.00		1416.00 Dr

Annexure III

Letter of communication with MoP, GoI regarding PSDF for SAMAST

No. 10/1/2014-OM
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi-110001

Dated 16th April, 2021



Managing Director

Bihar State Power Transmission Company Lt.
4th Floor, Vidyut Bhawan, Jawaharlal Marg,
Baily Road, Patna- 800021

Ref:

1. Scheme of Bihar for funding from PSDF Scheme (Project Proposal Number- PSDF/BSPTCL-04/FEB-18/208).
2. MoP Sanction order Ref: 10/01/2014-OM dated :20.03.2020 towards sanction of PSDE grant..

Subject: Withdrawl of PSDF grant for the project of "Implementation of Scheduling, Accounting, Metering, and Settlement of Transaction in Electricity (SAMAST) in SLDC Bihar" (Proposal No-208) pertaining to the Bihar State Power Company Ltd. (BSPTCL).

Sir,

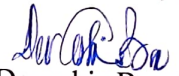
I am directed to convey the decision of the competent authority, to Withdraw the PSDF grant approved vide MoP sanction order Ref: 10/01/2014-OM dated:20.03.2020 for the project of "Implementation of Scheduling, Accounting, Metering, and Settlement of Transaction in Electricity (SAMAST) in SLDC Bihar" (Proposal No-208) of BSPTCL Bihar.

2. The withdrawl of PSDF grant is being made subsequent to the approval of Monitoring committee in its meeting dated 8th March, 2021. The details of the subject project is as given below:

Sr. no	Name of Project (Proposal No)	Date of Sanction	Project cost estimate Approved (in Rs. Crores)	Amount of Grant Sanctioned (in Rs. Crores)	Amount of Grant withdrawn (in Rs. Crores)	Reason for Withdrawal
(i)	Implementation of Scheduling, Accounting, Metering and settlement of Transaction in Electricity (SAMAST) in SLDC Bihar. (Proposal No -208)	20.03.2020	7.61	6.85	6.85	Contracts were awarded for the subject project by the Entity before sanctioning of the project by competent authority.

3. The Amount if any received by BSPTCL, Bihar against above project shall be immediately returned to the Nodal Agency, NLDC POSOCO along with the interest earned on the grant.

Yours faithfully,



(Devashis Bose)

Deputy Secretary to the Govt.
of India

Copy to:

1. Secretary, Ministry of Power
2. Additional Secretary & Financial Adviser, Ministry of Power
3. Additional Secretary (Trans), Ministry of Power
4. Chairperson, Central Electricity Authority
5. CMD, POSOCO
6. Joint Secretary (Department of Expenditure), Ministry of Finance
7. Joint Secretary, Ministry of New and Renewable Energy
8. Joint Secretary (OM and R&R), Ministry of Power
9. Adviser(Energy), Niti Aayog
10. Chairman, Bihar, Electricity Regulatory Commission
11. Principal Secretary (Energy Department), Govt. of Bihar