

**BEFORE**

**THE BIHAR ELECTRICITY REGULATORY COMMISSION  
VIDYUT BHAWAN -II, PATNA**

**Petition**

**For**

**Truing-up for FY 2019-20, Annual Performance Review for FY 2020-21 and Revised  
Aggregate Revenue Requirement and SLDC operating charges for FY 2021-22**

**For**

**State Load Despatch Centre (SLDC)**

**Under**

**Bihar State Power Transmission Company Limited**

**Patna**



**Chief Engineer (System Operations)**

**4<sup>th</sup> Floor, Vidyut Bhawan-1**

**Jawaharlal Nehru Marg**

**Patna – 800 021**

**24 December 2020**



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**Before the Bihar Electricity Regulatory Commission**  
Patna, Bihar

Filing No.:

Case No.:

IN THE MATTER OF

**Filing of Petition for State Load Despatch Centre (SLDC) under Bihar State Power Transmission Company Limited for approval of Truing-up of FY 2019-20, Annual Performance Review of FY 2020-21 and Revised Aggregate Revenue Requirement and SLDC Operating Charges of FY 2021-22 under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2018 along with the other guidelines and directions issued by the BERC from time to time and under Sections 45, 46, 47, 61, 62, 64 and 86 of the Electricity Act 2003 read with the relevant guidelines.**

AND

IN THE MATTER OF  
THE APPLICANT

**State Load Despatch Centre (SLDC) under Bihar State Power Transmission Company Limited (herein after referred to as 'SLDC' or 'Petitioner') which shall mean for the purpose of this Petition, the SLDC in the State of Bihar, having its registered office at Vidyut Bhawan -I, Jawaharlal Nehru Marg, Patna - 800 021**

The Petitioner respectfully submits as under:

1. Pursuant to the enactment of the Electricity Act, 2003, State Load Despatch Centre (hereinafter referred to as SLDC) is filing this Petition for Truing-up of FY 2019-20, Annual Performance Review of FY 2020-21, and determination of revised Aggregate Revenue Requirement and SLDC operating charges for FY 2021-22 as per procedures outlined in the governing Regulations thereof.

2. The Multi-year Tariff (MYT) Petition for the Control Period from FY 2013-14 to FY 2015-16 was filed on 14<sup>th</sup> November 2012 by BSPHCL on behalf of all successor Companies and accordingly, the Hon'ble Commission had issued common Tariff Order for all entities (Tariff Order dated 15<sup>th</sup> March 2013).
3. The Hon'ble Commission in the MYT Order dated 21<sup>st</sup> March 2016, had directed SLDC to file separate Petition for Determination of Aggregate Revenue Requirement.
4. In compliance of the BERC Regulations and Directives, BSPTCL for the first time filed separate Petition for ARR of FY 2017-18 for SLDC function on 30<sup>th</sup> November 2016 and the Hon'ble Commission issued Tariff Order on the same on 9<sup>th</sup> March 2017.
5. BSPTCL filed Petition for ARR of FY 2018-19 for SLDC function on 15<sup>th</sup> November 2017 and the Hon'ble Commission issued Tariff Order on the same on 7<sup>th</sup> March 2018.
6. BSPTCL filed Multi-Year Tariff (MYT) Petition for approval of ARR for the Control Period from FY 2019-20 to 2021-22 for SLDC function on 28<sup>th</sup> November 2018 and the Hon'ble Commission issued Tariff Order on the same on 15<sup>th</sup> February 2019.
7. BSPTCL filed Petition for ARR of FY 2020-21 for SLDC function on 15<sup>th</sup> November 2019 and the Hon'ble Commission issued Tariff Order on the same on 20<sup>th</sup> March 2020.
8. The present Petition is being filed before the Hon'ble Commission for Truing-up of FY 2019-20, Annual Performance Review of FY 2020-21 and Determination of revised Annual Revenue Requirement (ARR) and SLDC operating charges for FY 2021-22.
9. This present Petition is filed on independent basis and has been prepared in accordance with the provisions of Multi-Year Tariff of the BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2018 along with the other

guidelines and directions issued by the Hon'ble Commission from time to time and under Sections 45, 46, 47, 61, 62, 64 and 86 of the Electricity Act 2003 read with the relevant guidelines as amended from time to time by the Hon'ble Commission. The Petitioner along with this Petition is submitting the regulatory formats with data and information to the extent applicable and would make available any further information/additional data required by the Hon'ble Commission during the course of proceedings.

10. SLDC would like to submit that due to the unprecedented situation of COVID-19 pandemic, the entire country was under severe lockdown. The lockdown was lifted in a phased manner. Even today, there are some restrictions imposed in the State, which is affecting the operations of SLDC. SLDC during this period was not able to work with full work force, which has led to delays in meeting all timelines including the timeline for filing of Tariff Petition. A major impact was seen on the implementation of projects that are being undertaken by SLDC.

**Prayers to the Hon'ble Commission:**

11. The Petitioner respectfully requests the Hon'ble Commission to:
- Admit this Petition;
  - Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
  - Pass suitable Orders with respect to the True-up of ARR for FY 2019-20, APR for FY 2020-21 and revised ARR for FY 2021-22 as submitted in this Petition;
  - Approve the SLDC charges as per the proposal;
  - Pass separate Order for the Petitioner against the present Petition;
  - Permit to propose suitable changes to the respective True-up/ APR/ ARRs, prior to the final approval by the Hon'ble Commission;
  - Permit to revise any inadvertent omissions/errors/shortcomings, etc., and accordingly add/change/modify/alter this filing and make further submissions as may be required at a future date;
  - Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;
  - Pass desired impact of issues raised by SLDC in appeals along with carrying cost in ensuing Tariff Order in case the appeals are ruled in favour of SLDC;



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- j. To condone the delay in filing of present Tariff Petition for FY 2021-22 due to the work being affected by lockdown in the Country followed by several restrictions in operations of BSPTCL.

Place: Patna

A. K. Chaudhary

Dated: 24 December 2020

Chief Engineer (System Operations)



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## LIST OF ABBREVIATIONS

A&G	Administrative & General
R&M	Repair & Maintenance
O&M	Operation & Maintenance
ARR	Aggregate Revenue Requirement
CEA	Central Electricity Authority
EA	Electricity Act
GFA	Gross Fixed Asset
IoWC	Interest on Working Capital
MU	Million Units
MW	Mega Watt
MVA	Mega Volt Ampere
MYT	Multi Year Tariff
STOA	Short Term Open Access
IRF	Internal Resource Funding

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# 1 Introduction

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## 1.1 Background

The erstwhile Bihar State Electricity Board ("Board" or "BSEB") originally constituted on 1<sup>st</sup> April 1958 under Section 5 of the Electricity (Supply) Act, 1948, was engaged in the management of electricity generation, transmission, distribution and related activities in the State of Bihar.

Under the 'Bihar State Electricity Reforms Transfer Scheme 2012', the BSEB has been unbundled into five Companies: Bihar State Power (Holding) Company Limited (BSPHCL), Bihar State Power Transmission Company Limited (BSPTCL), Bihar State Power Generation Company Limited (BSPGCL), South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC) with effect from 1<sup>st</sup> November 2012 vide Notification No. 17 dated 30<sup>th</sup> October 2012.

## 1.2 Constitution of State Load Despatch Centre

Section 31 of the Electricity Act, 2003, provides for constitution of State Load Despatch Centre (SLDC), as under:

*"31. (1) The State Government shall establish a Centre to be known as the State Load Despatch Centre for the purposes of exercising the powers and discharging the functions under this Part.*

*(2) The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government.*

*Provided that until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre:*

*Provided further that no State Load Despatch Centre shall engage in the business of trading in electricity."*

### 1.3 Functions of State Load Despatch Centre

The functions of SLDC as envisaged in the Electricity Act, 2003, are as under:

*“32. (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State.*

*(2) The State Load Despatch Centre shall*

- a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;*
- b) Monitor grid operations;*
- c) Keep accounts of the quantity of electricity transmitted through the State grid;*
- d) Exercise supervision and control over the intra-state transmission system; and*
- e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.*

*(3) The State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission.”*

### 1.4 SLDC Charges

The Petitioner submits that the assets of SLDC are not owned by BSPTCL. The same are owned by PGCIL, which in-turn recovers cost from the Distribution Companies namely, South Bihar Distribution Company Private Limited (SBPDCL) and North Bihar Distribution Company Private Limited (NBPDCIL) and other users of transmission system. The supporting documents, i.e., the Minutes of the Meeting of ERPC meeting where it was decided that the SLDC assets will be created by PGCIL have already been submitted to the Hon’ble Commission with the Tariff Petition for FY 2017-18 dated 30<sup>th</sup> November 2016.

However, day-to-day operations of SLDC are managed by BSPTCL and for the same, separate accounts are being maintained. Therefore, in view of the facts explained above and provisions of Section 31 (1), (2) and 1<sup>st</sup> Proviso of Section 31(2) of the Electricity Act, 2003, operations of SLDC are just and proper. A separate Petition for

determining ARR is being submitted based on expenses incurred in operationalisation of SLDC.

## 1.5 Approach to the Present Filing

Regulations 4.1 and 4.2 of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018 (BERC MYT Regulations, 2018) specifies the basis on which the Hon'ble Commission shall determine tariff for transmission and SLDC business for each year of the Control Period. The relevant extract is as follows.

*"4.1 The Commission shall determine the tariff for Transmission business or charges of SLDC operations under a Multi-Year Tariff framework with effect from April 1st of each financial year subject to provisions under these Regulations.*

*4.2 The Multi Year Tariff frameworks shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Transmission Business and Fees and Charges of SLDC:*

- i. Control Period, before commencement of which a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariff in case of transmission licensee or Fees and Charges in case of SLDC, as the case may be, shall be submitted by the applicant and approved by the Commission;  
Provided that the performance parameters whose trajectories have been specified in these Regulations shall form the basis of projection for the Aggregate Revenue Requirement for the entire Control Period*
- ii. A detailed Business Plan based on the Operational Norms and trajectories of performance parameters specified in the MYT Regulations, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval subject to provisions under these Regulations;*
- iii. Based on the Business Plan, the applicant shall submit a petition with the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff and charges for each year of the Control Period, and the Commission shall approve the transmission tariff and Fees and Charges in case of SLDC for each year of the Control Period;*
- iv. The mechanism for pass-through of approved gains or losses on account of uncontrollable factors as specified under Regulation 9 of these Regulations;*

- 
- v. The mechanism for sharing of approved gains or losses arising out of controllable factors as specified under Regulation 10 of these Regulations;

The application to be filed before the Hon'ble Commission for determination of tariff is as per Regulation 11.3 of BERC MYT Regulations, 2018. The relevant extracts are as follows:

*"11.3 An application (along with soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period. The application should contain the data relating to each item of the ARR supported with the information/data in the formats Form no- SI to Form no-P12 appended to these Regulations and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2005 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition....."*

The Hon'ble Commission vide Tariff Order dated 20<sup>th</sup> March 2020 approved the Truing-up of FY 2018-19, Annual Performance Review (APR) of FY 2019-20 and ARR and SLDC Operating charges for FY 2020-21.

In accordance with the above provisions of BERC MYT Regulations, 2018, SLDC is filing the present Petition for Truing-up of FY 2019-20 based on audited accounts of FY 2019-20, APR for FY 2020-21 based on estimates for current year, and determination of revised ARR and SLDC Operating Charges for FY 2021-22.

## **1.6 Structure of the Petition**

The Petition consists of the following Chapters as outlined below:

**Chapter 1:** Introduction (Present Chapter)

**Chapter 2:** Phasing of Capital Expenditure for Control Period

**Chapter 3:** Truing up for FY 2019-20



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**Chapter 4:** Annual Performance Review of FY 2020-21

**Chapter 5:** Revised ARR for FY 2021-22

**Chapter 6:** SLDC Operating Charges

**Chapter 7:** Prayers

**Chapter 8:** Compliance to Directives



## 2 Phasing of Capital Expenditure for Control Period

### 2.1 Phasing of Capital Expenditure

#### SAMAST (Scheduling, Metering and Settlement of Transmission in Electricity)

The SAMAST project has been implemented to create a robust, scalable and transparent framework of scheduling, metering, accounting and settlement of energy transactions at intra-State as well as inter-State level, achieve operational excellence, and reduce the margin of errors while quantifying the scheduling, metering, accounting and settlement of energy transactions. The project was awarded on 6<sup>th</sup> June 2019 and is being implemented by M/s PwC in joint venture with M/s Infoteck Services.

In the Tariff Order Dated 20<sup>th</sup> March 2020, the Hon'ble Commission had approved the Capital expenditure of Rs. 3.20 Crore for FY 2019-20 and Rs. 7.39 Crore for FY 2020-21. The entire Capital Expenditure of Rs. 10.59 Crore was approved for Capitalization in FY 2020-21. The cost of Annual Maintenance Charges (AMC) is expected to be incurred after the implementation of SAMAST. The following table shows the Cost Break-up of SAMAST Project:

**Table 2-1: Cost break up Project SAMAST (Rs. Crore)**

Sl. No.	Project Details	Cost Drivers	Estimated Cost
1	Appointment of agency for implementation of balance work of SAMAST in Bihar	Software and Hardware including Licensing	10.59
		Civil Work	
		AMC (for 5 years for Hardware & Software after post warranty period, i.e., 1 year for software and 3 years for hardware)	11.80
		Manpower cost for 5 years	
		<b>Total</b>	<b>22.39</b>

The Petitioner would like to submit that due to the lockdown imposed in the Country during COVID-19 Pandemic, the Capital Expenditure as approved by the Hon'ble Commission during FY 2019-20 and FY 2020-21 has slightly deviated, to that extent there has been a change in the Capital Investment Plan for implementation of SAMAST. Further, as per payment terms of M/s PWC, 20% of project cost is to be paid after 1 year of implementation of SAMAST in lieu of warranty. The following Table

shows the approved phasing of Capital Expenditure and actual/estimated phasing for SAMAST project as submitted by the Petitioner.

**Table 2-2: Capital Expenditure through IRF (Rs. Crore)**

Sl. No.	Particulars	Contract Amount of Project	FY 2019-20	FY 2020-21	FY 2021-22
1	Approved Phasing of SAMAST Project in Bihar (excluding 5 years AMC)	10.59	3.20	7.39	-
2	Proposed Phasing of SAMAST Project in Bihar (excluding 5 years AMC)	10.59	2.77*	5.70	2.12**

\*Actual capital expenditure incurred during FY 2019-20

\*\* 20% of Project Cost to be paid after one year of implementation as warranty.

As seen from the Table above, SLDC will not be able to achieve the desired expenditure during FY 2020-21 due to imposition of lockdown and due to other restrictions, which are still affecting the operations and functioning of SLDC.

As stated in the Table 2-1, the project cost also includes Rs. 11.80 Crore towards cost of AMC, which is expected to be incurred once the project is capitalised. SLDC expects to incur cost of Rs. 0.37 Crore against the AMC during FY 2021-22 once SAMAST is implemented in FY 2020-21. The following Table shows the revenue expenditure expected to be incurred during FY 2021-22:

**Table 2-3: Revenue Expenditure through Internal Resource Funding (Rs. Crore)**

Sl. No.	Parameter	FY 2019-20 (Project under Implementation)	FY 2020-21 (Projected)	FY 2021-22 (Projected)
1	Software including Manpower cost (AMC)	-	-	0.37
2	Hardware including Manpower cost (AMC)	-	-	-

Accordingly, SLDC has proposed to capitalise the SAMAST project in FY 2020-21 as it is being implemented and put to use in FY 2020-21. The remaining amount which is to be paid after one year of implementation for warranty is to be capitalized in FY

2021-22. The following Table shows the year wise capitalisation for this Control Period.

**Table 2-4: Capitalization of Assets (Rs. Crore)**

Sl. No.	Parameter	FY 2019-20	FY 2020-21 (Projected)	FY 2021-22 (Projected)
1	Software including Manpower cost (AMC)	-	8.47	2.12
2	Hardware including Manpower cost (AMC)	-	-	-

The phasing of Capital Expenditure and Revenue Expenditure for the Control Period has now been revised as follows:

**Table 2-5: Payment terms of SAMAST (Rs. Crore)**

Sl. No.	Source	FY 2019-20 (Project under Implementation)	FY 2020-21 (Projected)	FY 2021-22 (Projected)
1	IRF	2.77*	5.70	2.49 (2.12+0.37**)

\* Actual Expenditure during FY 2019-20

\*\*Cost is for AMC of software for the first year

Further, in line with the previous directives and communication with the Hon'ble Commission, the Deputy Secretary, Ministry of Power, GOI has informed that Rs. 6.85 Crore has been sanctioned as grant from PSDF towards implementation of SAMAST in SLDC, Bihar vide letter dated 20<sup>th</sup> March 2020. Since the grant has not been received till date, SLDC has not considered the same in projecting ARR of FY 2021-22. On receipt of the grant from PSDF, SLDC will account for the same at the time of next Truing up Petition. SLDC is constantly pursuing PSDF for the grant.

**The Hon'ble Commission is requested to approve the Capital Expenditure schedule and capitalization, as proposed in the Tables above.**

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## 3 Truing up for FY 2019-20

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### 3.1 Introduction

SLDC has filed Truing-up Petition for FY 2019-20 based on the Trial Balance for FY 2019-20. SLDC has considered the values approved in ARR of FY 2019-20 vide Tariff Order dated 15<sup>th</sup> February 2019 vis-à-vis values as per Trial Balance of FY 2019-20. The Truing-up of FY 2019-20 is carried out in accordance with relevant provisions of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018.

#### *"7 Annual Review of Performance and True-up*

*7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations....*

#### *13 True-Up and Annual Performance Review*

*..... (d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.*

*(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit....."*

Accordingly, SLDC has proposed Truing-up for FY 2019-20 based on the Trial Balance of FY 2019-20. A copy of the audited accounts of BSPTCL and Trial Balance of SLDC for FY 2019-20 are attached as **Annexure I**. It may be noted that the expenses considered under SLDC have been deducted from the expenses claimed in Tariff Petition of BSPTCL, in the True-up for FY 2019-20.

## 3.2 Capital Expenditure and Capitalisation

As discussed in the previous Chapter, the capital expenditure incurred during FY 2019-20 is to the tune of Rs. 2.77 Crore. SLDC request the Hon'ble Commission to approve capital expenditure of Rs. 2.77 Crore in Truing-up of FY 2019-20.

Further, since the capitalisation of SAMAST is projected to be done in FY 2020-21 onwards, there is no capitalisation during FY 2019-20. The following Table shows the Capital Expenditure and Capitalisation claimed in True-up of FY 2019-20:

**Table 3-1: Capital Expenditure and Capitalisation for FY 2019-20 (Rs. Crore)**

Sl. No.	Parameter	FY 2019-20	
		Approved in TO dated 15.02.2019	Claimed in True-up
1	Capital Expenditure	3.20	2.77
2	Capitalisation	-	-

## 3.3 Operation and Maintenance expenses

### 3.3.1 Employee Expenses

The Petitioner submits that employee expenses primarily include costs towards salaries, dearness allowances, medical expense reimbursement, other allowances, staff welfare expenses and terminal benefits. SLDC has appointed/deputed various employees (EEE, ESE & AEE) in FY 2018-19 and FY 2019-20 for strengthening of SLDC. As shown in the below table:

Sl. No	Particulars	FY 2018-19	FY 2019-20
1	No. of employees at the beginning of Year	39	41
2	No. of employees added during the year	2	6
3	Number of employees retiring during the year	0	2
4	Number of employees at the end of the year	41	45

In line with the above and as per audited accounts of FY 2019-20, SLDC has incurred Rs. 5.10 Crore towards Employee Expenses in FY 2019-20 including terminal benefits of Rs. 0.40 Crore. Addition of employees for strengthening of SLDC has increased the

Employee cost. The following Table shows the employee expenses considered in Truing-up of FY 2019-20:

**Table 3-2: Employee expenses for FY 2019-20 (Rs. Crore)**

Sl. No	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	Employee Cost as per audited accounts	3.63	5.10

**The Hon'ble Commission is requested to approve Employee Cost of Rs. 5.10 Crore in Truing-up of FY 2019-20**

### 3.3.2 Repairs and Maintenance Expenses (R&M)

The Petitioner submits that as per audited accounts of FY 2019-20, SLDC has not incurred any R&M expenses during FY 2019-20 and is hence, not claiming any amount for truing-up of FY 2019-20. The following Table shows the R&M expenses considered in Truing-up of FY 2019-20:

**Table 3-3: Repairs and Maintenance expenses for FY 2019-20 (Rs. Crore)**

Sl. No	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	R&M expenses as per audited accounts	0.64	0.00

**The Hon'ble Commission is requested to approve R&M Expenses as Nil in Truing-up of FY 2019-20.**

### 3.3.3 Administration and General Expenses (A&G)

A&G Expenses mainly comprise expenses towards Conveyance and Traveling, Electricity Charges, Miscellaneous Expenses, Telephone Expenses, Fees and Subscriptions, Legal Charges, and Printing and Stationery. As per audited accounts of FY 2019-20, SLDC has incurred A&G expenses of Rs. 0.33 Crore during FY 2019-20. The following Table shows the A&G Expenses considered in Truing-up of FY 2019-20:

**Table 3-4: Administration and General Expenses for FY 2019-20 (Rs. Crore)**

Sl. No	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2018-19
1	A&G Expenses as per audited accounts	0.53	0.33

The Hon'ble Commission is requested to approve Administrative and General Expenses of Rs. 0.33 Crore in Truing-up of FY 2019-20.

The following table shows the total O&M expenses claimed by SLDC based on audited Accounts of FY 2019-20:

**Table 3-5: O&M Expenses for FY 2019-20 (Rs. Crore)**

Sl. No	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2018-19
1	Employee expenses	3.63	5.10
2	Repairs and Maintenance Expenses	0.64	0.00
3	Administration and General Expenses	0.53	0.33
4	<b>Total Operation and Maintenance Expenses</b>	<b>4.80</b>	<b>5.43</b>

The Hon'ble Commission is requested to approve Operation and Maintenance Expenses of Rs. 5.43 Crore in Truing-up of FY 2019-20.

### 3.4 Interest on working capital

The Petitioner has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulation, 2018, as follows:

*"26 Interest on working Capital*

*The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:*



- (i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.
- (ii) O&M Expenses of one (01) month.
- (iii) Maintenance spares @ 15% of O&M expenses for one month...

*Transmission System Users.*

*b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points..."*

In accordance with the above provisions, SLDC has computed the interest on working capital for FY 2019-20. Regulation 26 (b) specifies that for the purpose of True-up, the rate of interest shall be State Bank of India (SBI) weighted average one-year MCLR for concerned financial year. SLDC has computed the weighted average of SBI 1-year MCLR for FY 2019-20 as available on SBI website (<https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data?inheritRedirect=true>). The following Table shows the weighted average interest rate for FY 2019-20:

**Table 3-6: Average One-year MCLR rate of Interest**

Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
8.50%	8.45%	8.45%	8.40%	8.25%	8.15%
Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
8.05%	8.00%	7.90%	7.90%	7.85%	7.75%
<b>Weighted Average One-year MCLR Interest rate</b>					<b>8.16%</b>

SLDC has accordingly added 150 basis points as provided in the Regulation to weighted average interest rate computed above. BSPTCL has therefore considered interest rate of 9.66% (8.16%+1.50%) for computation of interest on working capital for FY 2019-20. The maintenance spares are considered at 15% of 1-month O&M expenses, in accordance with the Regulations.



**Table 3-7: Interest on Working Capital for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	Receivables equivalent to two (2) months of SLDC charges	0.80	0.64
2	O&M Expenses of one month	0.40	0.45
3	Maintenance spares @ 15% of O&M expenses for one month	0.02	0.07
	<b>Total Working Capital</b>	<b>1.22</b>	<b>1.16</b>
4	Interest on working Capital (%)	10.00%	9.66%
5	<b>Interest on Working Capital to be claimed</b>	<b>0.12</b>	<b>0.11</b>

The Hon'ble Commission is requested to approve Interest on Working Capital of Rs. 0.11 Crore in Truing-up of FY 2019-2020.

### 3.5 Non-Tariff Income

The Petitioner submits that it has earned Non-Tariff Income on account of STOA SLDC charges amounting to Rs. 0.093 Crore from M/s ITC Ltd, M/s Bihar Cement and M/s New Bihar Cement. Further, charges recovered from Railways is Rs. 0.093 Crores for FY 2019-20. Application fee recovered for addition of users of SLDC, in line with the directives of the Hon'ble Commission, is Rs. 0.017 Crore. SLDC recovered miscellaneous receipts of Rs. 0.003 Crore on account of quarters' rent recovery. The following Table shows the Non-Tariff income of Rs. 0.21 Crore considered in Truing-up of FY 2019-20:

**Table 3-8: Non-Tariff Income for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	STOA SLDC Charges		0.093
2	Charges from Railway		0.093
3	Miscellaneous Receipts		0.003



4	Application fee received		0.017
5	<b>Total Non-Tariff Income</b>	<b>0.11</b>	<b>0.21</b>

The Hon'ble Commission is requested to approve Non-Tariff Income of Rs. 0.21 Crore in Truing-up of FY 2019-20.

### 3.6 Aggregate Revenue Requirement for FY 2019-20

The Petitioner submits the Aggregate Revenue Requirement for FY 2019-20 as summarised below:

**Table 3-9: Aggregate Revenue Requirement for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	O&M cost	4.80	5.43
a	Employee cost	3.63	5.10
b	R&M expenses	0.64	-
c	A&G expenses	0.53	0.33
2	Interest on Working capital	0.12	0.11
3	Less: Non-Tariff Income	0.12	0.21
4	<b>Total ARR</b>	<b>4.81</b>	<b>5.33</b>

The Petitioner requests the Hon'ble Commission to approve the ARR of Rs. 5.33 Crore in the True-up for FY 2019-20.

### 3.7 Revenue Gap / (Surplus) for FY 2019-20

The Revenue Surplus for FY 2017-18 of Rs. 0.98 Crore was carried forward to FY 2019-20 in the Tariff Order dated 15<sup>th</sup> February 2019. Further, SLDC has allowed rebate of Rs.0.016 Crores to consumers on prompt payment of bills. Hon'ble commission is requested to approve the rebate of Rs. 0.016 Crores. The Petitioner has computed the Revenue Gap/ (Surplus) for FY 2019-20, based on the expenses detailed above and the Revenue earned from SLDC Charges, as summarised below:

**Table 3-10: Revenue Gap/ (Surplus) for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	FY 2019-20	
		Approved in Tariff Order dated 15.02.2019	Claimed in Truing-up of FY 2019-20
1	Aggregate Revenue Requirement for FY 2019-20	4.81	5.33
2	Less: Approved Surplus of FY 2017-18	0.98	0.98
3	Rebate Allowed		0.02
4	Less: SLDC charges received	3.83	3.83
5	<b>Revenue Gap / (Surplus) for the year (1-2-3)</b>	-	<b>0.54</b>

Hence, the Hon'ble Commission is requested to approve the Revenue Gap of Rs. 0.54 Crore and allow SLDC to recover this deficit from the users of SLDC in FY 2021-22, in their power sharing ratio.

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## 4 Annual Performance Review for 2020-21

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### 4.1 Introduction

SLDC is filing the Annual Performance Review (APR) for FY 2020-21 as compared to the ARR approved for FY 2020-21 vide Tariff Order dated 20<sup>th</sup> March 2020. The APR is filled in accordance with relevant provisions of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018. Regulation 7 and Regulation 13 of BERC MYT Regulations, 2018 provides for APR of current year. The relevant extracts are as follows:

*“7 Annual Review of Performance and True-up*

*7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations....*

*13 True-Up and Annual Performance Review*

*..... (d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.*

*(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit.....”*

In line with the above provisions of MYT Regulations, 2018, BSPTCL has estimated APR for FY 2020-21.

## 4.2 Capital Expenditure and Capitalisation

As discussed in Chapter 2, SLDC has estimated Rs. 5.70 Crore as capital expenditure expected to be incurred during FY 2020-21. SLDC requests the Hon'ble Commission to approve capital expenditure of Rs. 5.70 Crore in APR of FY 2020-21.

Capitalization of SAMAST is scheduled from FY 2020-21 onwards as discussed in chapter 2 of the petition. The following Table shows the Capital Expenditure and Capitalisation claimed in APR of FY 2020-21:

**Table 4-1: Capital Expenditure and Capitalization claimed in APR of FY 2020-21**

Sl. No.	Parameter	FY 2020-21	
		Approved in TO dated 20.03.2020	Claimed in APR
1	Capital Expenditure	7.39	5.70
2	Capitalisation	10.59	8.47

Hence, the Hon'ble Commission is requested to approve the Capital Expenditure and Capitalization as proposed in the above table for FY 2020-21.

## 4.3 Gross Fixed Assets

SLDC has considered the opening balance of GFA for FY 2020-21 as the closing balance of FY 2019-20. As discussed in earlier paragraphs, the capitalisation planned for FY 2020-21 is Rs. 8.47 Crore. Accordingly, the SLDC has arrived at the closing balance for FY 2020-21. The following table shows the schedule of Gross Fixed Asset projected for ARR of FY 2020-21:

**Table 4-2: GFA projected for FY 2020-21 (Rs. Crore)**

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Opening GFA	-	-
2	Addition during the year	10.59	8.47
3	Closing GFA	10.59	8.47

The Hon'ble Commission is requested to approve Closing GFA of Rs. 8.47 Crore in revised APR for FY 2020-21.

#### 4.4 Depreciation

The Petitioner submits that it has calculated Depreciation in accordance with Regulation 23 of BERC MYT Regulations, 2018, as reproduced below:

*"23. Depreciation*

- (i) *Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year...*
- (iii) *Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations."*

SLDC has computed the depreciation to be considered in APR of FY 2020-21 based on weighted average depreciation rate on average depreciable GFA, as shown in the below table:

**Table 4-3: Depreciation Rate for FY 2020-21**

Sl. No	Particulars	Cost	Rate of Depreciation (Appendix-III of BERC Transmission Tariff regulations 2018)	Depreciation	Rate of Depreciation
A	B	C	D	E=C*D	F
1	Software @DC	7.64	30%	2.292	
2	Hardware @DC	1.34	15%	0.201	
3	Hardware Installation @ DRC	1.30	15%	0.195	
4	Software Installation @DRC	0.31	30%	0.093	
5	<b>Total</b>	<b>10.59</b>		<b>2.781</b>	<b>26.26%</b>

SLDC has considered the weighted average rate of Depreciation as per above table equal to 26.26%. The following Table shows the depreciation considered by SLDC for FY 2020-21:

**Table 4-4: Depreciation for FY 2020-21 (Rs. Crore)**

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Opening GFA	-	-
2	Addition during the year	10.59	8.47
3	Closing GFA	10.59	8.47
4	Average GFA	5.30	4.23
5	Rate of Depreciation	27.66%	26.26%
6	<b>Depreciation</b>	<b>1.46</b>	<b>1.11</b>

The Hon'ble Commission is requested to approve Depreciation of Rs. 1.11 Crore in revised APR of FY 2020-21.

## 4.5 Operation and Maintenance (O&M) Expenses

### 4.5.1 Employee Expenses

The Employee Expenses primarily include costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity, etc.

Regulation 21.1 specifies that the employee cost shall be computed as per the approved norm escalated by Consumer Price Index (CPI) for immediately preceding three years, as follows:

#### *"21.1 Employee Cost*

*Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay Commission, arrears and Interim Relief, governed by the following formula:*

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

*Where:*

*EMP<sub>n</sub>: Employee expense for the year n*

*EMPb: Employee expense as per the norm*

*CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years....."*

In accordance with the above Regulation, the Petitioner has considered the CPI indices up to March 2020 and taken average of preceding three years of escalation in CPI for consideration of escalation of base year employee expenses. The following Table shows the escalation considered on base value for computation of employee expenses:

**Table 4-5: CPI Inflation considered for FY 2020-21**

Particulars	Actual				Estimate
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Annual Average CPI Index	276	284	300	323	
CPI Inflation		3.08%	5.45%	7.53%	5.35%

SLDC has therefore, considered inflation rate of 5.35% on base year employee expenses of FY 2019-20 for computation of employee expenses for FY 2020-21, as shown in the Table below:

**Table 4-6: Employee Expenses for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Base year Employee expenses	3.63	5.10
2	Indexation %	4.28%	5.35%
3	Inflationary increase	0.16	0.27
4	Employee expenses	3.79	5.37

**The Hon'ble Commission is requested to approve Employee Cost of Rs. 5.37 Crore in APR of FY 2020-21.**

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

SLDC does not own any assets and all assets of SLDC are owned by PGCIL. Further, as there was no R&M Expense in FY 2019-20 and no R&M expenses booked till September 2020, SLDC has projected the R&M Expense for FY 2020-21 as Nil.



The Hon'ble Commission is requested to approve R&M expense as Nil in APR of FY 2020-21.

#### 4.5.3 Administrative and General (A&G) Expenses

A&G expenses mainly comprise costs towards electricity and water charges, insurance charges, security expenses, professional charges, conveyance and travelling allowances and other debits.

Regulation 21.3 of BERC MYT Regulations, 2018 provides for escalation of base value norms for consideration of Administrative and General Expenses. The relevant extracts are as follows:

*"21.3 Administrative and General (A&G) Expense*

*A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

*Where:*

*A&G<sub>n</sub>: A&G expense for the year n*

*A&G<sub>b</sub>: A&G expense as per the norm*

*WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years....."*

As per the above Regulation, the indexation to be considered is the weighted average rate of WPI: CPI in the ratio of 60:40, respectively. The calculation of weighted average indexation is shown in the Table below:

**Table 4-7: WPI: CPI Inflation considered for A&G expenses of FY 2020-21**

Particulars	Actual				Estimate
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21



Annual Average CPI Index	276	284	300	323	
CPI Inflation		3.08%	5.45%	7.53%	5.35%
Annual Average WPI Index	112	115	120	122	
WPI Inflation		2.92%	4.27%	1.68%	2.95%
WPI: CPI					3.91%

SLDC has therefore, considered the inflation rate of 3.91% on base values for computation of A&G expenses for FY 2020-21. The A&G expenses of FY 2019-20 are considered as base year A&G expenses.

**Table 4-8: A&G expenses for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Base year A&G expenses	0.60	0.33
2	Indexation %	2.98%	3.91%
3	Inflationary increase	0.02	0.01
4	A&G Expenses	0.62	0.34

**The Hon'ble Commission is requested to approve A&G Expenses of Rs. 0.34 Crore in APR of FY 2020-21.**

#### **4.5.4 Summary of Operation and Maintenance (O&M) Expenses**

The summary of O&M expenses claimed in the APR of FY 2020-21 are shown in the Table below:

**Table 4-9: O&M Expenses for FY 2020-21 (Rs. Crore)**

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Employee Expenses	4.23	5.37
2	R&M Expenses	0.08	0.00
3	A&G Expenses	0.62	0.34
4	<b>Total</b>	<b>4.93</b>	<b>5.71</b>

The Hon'ble Commission is requested to approve O&M Expenses of Rs. 5.71 Crore in APR of FY 2020-21.

#### 4.6 Funding of Capitalisation

The funding of SAMAST project is presently being made through Internal Resource Funding (IRF). The total amount of Rs. 8.47 Crore is expected to be capitalized in FY 2020-21.

However, the Deputy Secretary, Ministry of Power, GOI has informed that Rs. 6.85 Crore has been sanctioned as grant from PSDF towards implementation of SAMAST in SLDC, Bihar vide letter dated 20<sup>th</sup> March 2020. As the grant has not been received yet, SLDC has not considered the same in projecting APR of FY 2020-21. Once the grant is received, SLDC will account for the same at the time of next Truing up Petition. SLDC is constantly pursuing PSDF for the grant.

Regulation 24 (b) of BERC MYT Regulations, 2018 specifies that:

*“(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan: Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan....”*

Hence, for the purpose of tariff computations, the normative Debt: Equity ratio of 70:30 has been considered in APR of FY 2020-21. The following Table shows the funding considered through loans and equity against capitalisation of FY 2020-21:

**Table 4-10: Funding of Capitalisation for FY 2020-21 (Rs. Crore)**

Sl. No	Particulars	Claimed in APR
1	Total Capitalisation	8.47
4	Funding Through Loans (70%)	5.93
5	Funding through Equity (30%)	2.54

The Hon'ble Commission is requested to approve loan addition of Rs. 5.93 Crore and equity addition of Rs. 2.54 Crore in revised APR for FY 2020-21.

## 4.7 Return on Equity

The Petitioner submits that it has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2018, as reproduced below:

*“22. Return on Equity*

- (a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower...*
- (c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be.”*

*....27 (2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base rate / (1-t)*

*Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess...”*

SLDC has not considered any opening balance of equity for FY 2020-21 since there has been no equity claimed in Truing up of FY 2019-20. The addition of equity is in line with 30% of amount of capitalisation to be funded as per Table 4-10 above. The rate of Return on Equity is considered as 15.50% in line with the Regulation 22 of BERC MYT Regulations, 2018. SLDC has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2019-20 as per audited accounts. The calculation of RoE is summarised in the table below:

**Table 4-11: Return on Equity for FY 2021-22 (Rs. Crore)**

Sl. No	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Opening Equity	-	-
2	Addition during the year	3.18	2.54
3	Closing Equity	3.18	2.54
4	Average Equity	1.59	1.27
5	Rate of Return on Equity	15.50%	15.50%
6	MAT Rate%	-	17.47%
7	Effective Rate of Return on Equity	-	18.78%
8	<b>Return on Equity</b>	0.25	<b>0.24</b>

The Hon'ble Commission is requested to approve RoE of Rs. 0.24 Crore in revised APR of FY 2020-21.

#### 4.8 Interest and Finance Charges

SLDC submits that there is no opening balance of Normative Loan to be considered in APR of FY 2020-21 as there is no closing balance of Normative Loan in True-Up of FY 2019-20. The interest and finance charges have been calculated in accordance with Regulation 24 of BERC MYT Regulations, 2018. SLDC has considered repayment equal to depreciation as specified in the Regulation 24 (e) of BERC MYT Regulations, 2018.

Regulations 24 (g) of BERC MYT Regulations, 2018 provides for consideration of State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') rate in case of normative loans outstanding but no actual loans. The relevant extract is as follows:

*"24.(g) The rate of interest shall be the weighted average rate of interest...  
.....Provided further that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') shall be applicable."*

The rate of interest has been considered as per the above Regulation, as the one-year MCLR rate of 7.00% as on November 2020. The calculation of interest on normative loan is summarised below:

**Table 4-12: Interest and Finance Charges for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Opening Loan	-	-
2	Addition during the year	7.41	5.93
3	Normative Repayment (Equal to Depreciation)	1.39	1.11
4	Closing Loan	6.02	4.82
5	Average Loan	3.01	2.41
6	Interest Rate (%)	8.00%	7.00%
7	Interest on Loan	0.24	0.17
8	Other Finance Charges	-	-
9	Interest and Finance Charges	<b>0.24</b>	<b>0.17</b>

**The Hon'ble Commission is requested to approve Interest on Normative loan of Rs. 0.17 Crore in revised APR of FY 2020-21.**

#### **4.9 Interest on Working Capital**

The Petitioner has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulation, 2018, as follows:

##### *"26 Interest on working Capital*

*The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:*

- (i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.*
- (ii) O&M Expenses of one (01) month.*
- (iii) Maintenance spares @ 15% of O&M expenses for one month...*

*Transmission System Users.*

*b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points..."*

In the Tariff Order dated 20<sup>th</sup> March 2020, the Hon'ble Commission while calculating IoWC for FY 2020-21 has considered the components of working capital requirement as i) O&M expenses (1 month), ii) Maintenance spares @15% of 1 month O&M expenses, iii) Receivables - 2 months. Further, Depreciation and ROE for two months were deducted. In accordance with the above provisions and method adopted by the Hon'ble Commission, SLDC has computed the interest on working capital for FY 2020-21. Regulation 26 (b) specifies that the rate of interest shall be equal to State Bank of India (SBI) one-year MCLR as of the date on which Tariff Petition is filed plus 150 basis points.

SLDC has hence, considered MCLR rate of 7.00% for one-year tenure revised with effect from 10<sup>th</sup> November 2020 as available on its website (<https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>) and accordingly added 150 basis points as provided in the Regulation. SLDC has therefore, considered interest rate of 7.50% (7.00%+1.50%) for computation of interest on working capital for the FY 2020-21, as shown in the Table below:

**Table 4-13: Interest on Woking Capital for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	FY 2020-21	
		Approved in TO dated 20.03.2020	Claimed in APR
1	Receivables equivalent to two (2) months	1.16	1.21
2	O&M Expenses of one month	0.41	0.48
3	Maintenance spares @15% of 1-month O&M expenses	0.06	0.07
4	Less: Depreciation and RoE for 2 months	0.29	0.08
5	<b>Total Working Capital</b>	<b>1.34</b>	<b>1.67</b>
6	Rate of Interest on Working Capital (%)	9.50%	8.50%
7	<b>Interest on Working Capital</b>	<b>0.13</b>	<b>0.14</b>



The Hon'ble Commission is requested to approve Interest on Working Capital of Rs. 0.14 Crore in APR of FY 2020-21.

#### 4.10 Non-Tariff Income

The Petitioner submits that it has earned Non-Tariff Income on account of STOA charges amounting to Rs. 0.0492 Crore till September 2020, and the projected Income for second half of FY 2020-21 is Rs. 0.0674 Crore, on account of registration of new STOA customer. The total STOA charges for FY 2020-21 are projected at Rs. 0.12 Crores.

Application fee for registration of users of SLDC recovered till September 2020 is Rs. 0.009 Crores and projected for the second half of the year is equal to Rs. 0.012 Crore. The total application charge is estimated at Rs. 0.021 Crore.

Further, SLDC recovered miscellaneous receipts of Rs. 0.003 Crore and other SLDC Income of Rs. 0.01 Crore during FY 2019-20 and the same is projected for FY 2020-21. The following Table shows the Non-Tariff income considered in APR of FY 2020-21:

**Table 4-14: Non-Tariff Income for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	FY 2020-21	
		Approved in TO dated 20.03.2020	Claimed in Truing-up of FY 2019-20
1	STOA Charges		0.12
2	Miscellaneous Receipts		0.003
3	Application fee received		0.021
4		0.12	0.14

The Hon'ble Commission is requested to approve Non-Tariff Income of Rs. 0.14 Crore in APR of FY 2020-21.

#### 4.11 Revenue

Till FY 2019-20, the income from Railways was considered in Non-Tariff Income. However, from FY 2020-21 onwards as per directions of the Hon'ble Commission,



revenue recovery of the Annual SLDC charges is being done in the power sharing ratio from all the users of SLDC, while prior to FY 2020-21, the recovery of the SLDC charges was done only from the two Distribution Companies. The Discoms are billed comparatively less compared to prior scenario. The Annual SLDC Charges approved in Order dated 20<sup>th</sup> March 2020 is divided amongst all the users and all the users are billed according to the methodology provided by the Hon'ble Commission in the last Tariff Order. Thus, Income from Railway is removed from the calculation of Non-Tariff Income, and is considered under Revenue from SLDC Charges.

#### 4.12 Aggregate Revenue Requirement (ARR) for FY 2020-21

The Petitioner submits the following ARR in APR for FY 2020-21 as summarised below:

**Table 4-15: ARR for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	FY 2020-21	
		Approved in TO dated 20.03.2020	Claimed in APR
1	O&M cost	4.93	5.71
a	Employee cost	4.23	5.37
b	R&M expenses	0.08	0.00
c	A&G expenses	0.62	0.34
2	Depreciation	1.46	1.11
3	Interest on Loan Capital	0.24	0.17
4	Interest on Working Capital	0.13	0.14
5	Return on Equity	0.30	0.24
6	Less: Non-Tariff Income	0.12	0.14
7	<b>Total ARR</b>	<b>6.94</b>	<b>7.23</b>

**The Petitioner requests the Hon'ble Commission to approve the ARR of Rs. 7.23 Crore in the APR for FY 2020-21.**

### 4.13 Revenue Gap / (Surplus) for FY 2020-21

The Petitioner has considered the components of ARR as discussed in this Chapter and has adjusted the Revenue approved by the Commission in previous Tariff Order for FY 2020-21, to arrive at the Revenue Gap/(Surplus) for FY 2020-21. Further, the Petitioner has adjusted the Revenue Surplus of FY 2018-19 against the approved and revised ARR of FY 2020-21, as done by the Hon'ble Commission in the Tariff Order for FY 2020-21. The following Table shows the Revenue Gap/(Surplus) for FY 2020-21 claimed in APR:

**Table 4-16: Revenue Gap/(Surplus) for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in TO dated 20.03.2020	Claimed in APR
1	Aggregate Revenue Requirement for FY 2020-21	6.94	7.23
2	Add: Trued up Revenue Gap of FY 2018-19 with carrying cost	0.61	0.61
3	Net Revenue Requirement for FY 2020-21	7.55	7.84
4	Less: Annual SLDC charges Approved by Commission for FY 2020-21 in Tariff Order dated 20 <sup>th</sup> Mar 2020	7.55	7.55
5	<b>Revenue Gap /(Surplus) for the year (3-4)</b>	<b>-</b>	<b>0.29</b>

**The Petitioner requests the Hon'ble Commission to approve the Revenue Gap of Rs. 0.29 Crore in the APR for FY 2020-21.**

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## 5 Annual Revenue Requirement for 2021-22

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### 5.1 Introduction

SLDC has filed the revised ARR for FY 2021-22 in accordance with relevant provisions of BERC MYT Regulations, 2018. The Hon'ble Commission has already approved the ARR for FY 2021-22 in the Tariff Order dated 15<sup>th</sup> February 2019. However, SLDC has filed for approval of revised ARR and accordingly Tariff for FY 2021-22 based on actuals of FY 2019-20 and revised estimates of FY 2020-21.

Regulation 11.3 of BERC MYT Regulations, 2018 provides requires the Transmission Licensee or SLDC to file for revised ARR for each year of the Control Period. The relevant extracts are as follows:

*“11.3 An application (along with soft copy) for determination of tariff and charges shall be made by 15<sup>th</sup> November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year **and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period**. The application should contain the data relating to each item of the ARR supported with the information/data in the formats Form no-SI to Form no-P12 appended to these Regulations and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2005 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition... **(Emphasis Added)**.”*

#### *“13 True-Up and Annual Performance Review*

*..... (d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.*

*(f) Notwithstanding anything contained in regulation 4 of these Regulations, the Revenue gap/surplus arising out of Truing up shall be considered by the Commission while determining the ARR of ensuing year(s). While approving adjustments towards revenue/expenses in future years, arising out of Truing up exercises, the Commission*

*may allow the carrying costs as determined by the Commission of such expenses /revenues. However the revised estimated gap/surplus as a result of APR may or may not be passed in the ARR of ensuing year ...”*

Regulation 4 of the BERC MYT Regulations, 2018 also provides for the Hon’ble Commission to determine tariff for SLDC Operations for each year of the Control Period. The relevant extracts are as follows:

*“4.1 The Commission **shall determine the tariff** for Transmission business or charges of SLDC operations under a Multi-Year Tariff **framework with effect from April 1st of each financial year** subject to provisions under these Regulations..... (Emphasis Added).”*

Accordingly, SLDC has proposed for re-determination of ARR for FY 2020-21, as discussed in the following paragraphs.

## 5.2 Capital Expenditure and Capitalisation

As discussed in Chapter 2, SLDC has projected Rs. 2.12 Crore as capital expenditure expected to be incurred during FY 2021-22. SLDC requests the Hon’ble Commission to approve capital expenditure of Rs. 2.12 Crore in revised ARR of FY 2021-22.

The following Table shows the Capital Expenditure and Capitalisation claimed in revised ARR of FY 2021-22:

**Table 5-1: Capital Expenditure and Capitalisation claimed in ARR of FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
1	Capital Expenditure	2.12
2	Capitalisation	2.12

**Hence, the Hon’ble Commission is requested to approve the Capital Expenditure and Capitalization as proposed in the above table for FY 2021-22.**

### 5.3 Gross Fixed Assets

SLDC has considered the opening balance of GFA for FY 2021-22 as the closing balance of FY 2020-21. Accordingly, the SLDC has arrived at the closing balance for FY 2021-22. The following table shows the schedule of Gross Fixed Asset projected for ARR of FY 2021-22.

**Table 5-2: GFA projected for FY 2021-22 (Rs. Crore)**

Sl. No	Particulars	Claimed in ARR
1	Opening GFA	8.47
2	Addition during the year	2.12
3	Closing GFA	10.59

**The Hon'ble Commission is requested to approve Closing GFA of Rs. 10.59 Crore in revised ARR for FY 2021-22.**

### 5.4 Depreciation

The Petitioner submits that it has calculated Depreciation in accordance with Regulation 23 of BERC MYT Regulations, 2018, as reproduced below:

*"23. Depreciation*

- (ii) *Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year...*
- (iv) *Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations."*

SLDC has computed the depreciation to be considered in ARR of FY 2021-22 based on weighted average depreciation rate on average depreciable GFA. SLDC has considered the weighted average rate of Depreciation equal to 26.26% as shown in table 4-3. The following Table shows the depreciation considered by SLDC for FY 2021-22:

**Table 5-3: Depreciation for FY 2021-22 (Rs. Crore)**

Sl. No	Particulars	Claimed in ARR
1	Opening GFA	8.47
2	Addition during the year	2.12
3	Closing GFA	10.59
4	Average GFA	9.53
5	Rate of Depreciation	26.26%
6	<b>Depreciation</b>	<b>2.50</b>

**The Hon'ble Commission is requested to approve Depreciation of Rs. 2.50 Crore in revised ARR of FY 2021-22.**

## 5.5 Operation and Maintenance (O&M) Expenses

### 5.5.1 Employee Expenses

The Employee Expenses primarily include costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity, etc.

Regulation 21.1 specifies that the employee cost shall be computed as per the approved norm escalated by CPI for immediately preceding three years, as follows:

#### *"21.1 Employee Cost*

*Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay Commission, arrears and Interim Relief, governed by the following formula:*

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

*Where:*

*EMP<sub>n</sub>: Employee expense for the year n*

*EMP<sub>b</sub>: Employee expense as per the norm*

*CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years....."*

In accordance with the above Regulation, the Petitioner has calculated the average increase in CPI Index in Table 4-5 of this Petition. SLDC has considered the average increase of 5.35% for projecting ARR of FY 2021-22 as shown in Table 4-5, in line with the increase considered in APR for FY 2020-21.

The employee expenses projected in the APR of FY 2020-21 is considered as base year employee expenses for projecting employee expenses in revised ARR for FY 2021-22, as shown in the Table below:

**Table 5-4: Employee Expenses for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
1	Base year Employee expenses	5.37
2	Indexation %	5.35%
3	Inflationary increase	0.29
4	<b>Employee expenses</b>	<b>5.66</b>

The Hon'ble Commission is requested to approve Employee expenses of Rs. 5.66 Crore in ARR of FY 2021-22.

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

As SLDC does not own any assets presently, the calculation of R&M expenses is done in line with the calculation of Employee Expenses. The inflationary index for the year is considered as 5.35% in line with the calculation shown in Table 4-5. The R&M expenses projected in the APR of FY 2020-21 are considered as base year R&M expenses for projecting R&M expenses for FY 2021-22. In addition to this, SLDC has considered Rs. 0.37 Crore towards AMC expenses expected to be incurred during FY 2021-22 as shown in Table 2-3 of this Petition. The following Table shows the R&M expenses as claimed in revised ARR of FY 2021-22:

**Table 5-5: R&M Expenses for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
1	Base year R&M Expenses	-
2	Indexation %	5.35%
3	Inflationary increase	-



Sl. No.	Particulars	Claimed in ARR
	Sub-Total	-
4	AMC for Software	0.37
	<b>Total R&amp;M Expenses</b>	<b>0.37</b>

In this regard, the Petitioner submits that the overall projected R&M Expenses are yet to stabilize since many of the assets are currently under development phase. The Petitioner will therefore approach the Hon'ble Commission to consider the actual R&M expenses pursuant to completion of the projects/true-up Petitions based on audited accounts of subsequent years.

**The Hon'ble Commission is requested to approve R&M expense of Rs. 0.37 Crore in revised ARR of FY 2021-22.**

### 5.5.3 Administrative and General (A&G) Expenses

A&G expenses includes allowances, holding charges and other debits.

Regulation 21.3 of BERC MYT Regulations, 2018 provides for escalation of base value norms for consideration of A&G expenses. The relevant extracts are as follows:

*"21.3 Administrative and General (A&G) Expense*

*A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

*Where:*

*A&G<sub>n</sub>: A&G expense for the year n*

*A&G<sub>b</sub>: A&G expense as per the norm*

*WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years....."*



In accordance with the above Regulation, the Petitioner has calculated the weighted average increase in WPI: CPI Index in Table 4-7 of this Petition. SLDC has considered the weighted average increase of 3.91% for projecting ARR of FY 2021-22 as shown in Table 4-7 in line with the increase considered in APR for FY 2020-21.

The A&G expenses projected in the APR of FY 2020-21 is considered as base year for projecting A&G expenses in revised ARR for FY 2021-22, as shown in the Table below:

**Table 5-6: A&G expenses for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
1	Base year A&G expenses	0.34
2	Indexation %	3.91%
3	Inflationary increase	0.01
4	<b>A&amp;G Expenses</b>	<b>0.35</b>

**The Hon'ble Commission is requested to approve A&G Expenses of Rs. 0.35 Crore in revised ARR of FY 2021-22.**

#### **5.5.4 Summary of Operation and Maintenance (O&M) Expenses**

The summary of O&M expenses claimed in revised ARR for FY 2021-22 is as shown in the Table below:

**Table 5-7: O&M Expenses for FY 2021-22 (Rs. Crore)**

Sl. No	Particulars	Claimed in ARR
1	Employee Expenses	5.66
2	R&M Expenses	0.37
3	A&G Expenses	0.35
4	<b>Total</b>	<b>6.38</b>

**The Hon'ble Commission is requested to approve O&M Expenses of Rs. 6.38 Crore in revised ARR of FY 2021-22.**

## 5.6 Return on Equity

The Petitioner submits that it has calculated RoE in accordance with Regulation 22 of BERC MYT Regulations, 2018, as reproduced below:

*“22. Return on Equity*

*(b) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower...*

*(d) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be.”*

*....27 (2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base rate / (1-t)*

*Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess...”*

SLDC has considered the opening balance of equity for FY 2021-22 as same as the closing balance of equity for FY 2020-21. As discussed in Chapter 2 of the Petition the capitalization considered for the years is Rs. 2.12 Crores. The rate of Return on Equity is considered as 15.50% in line with the Regulation 22 of BERC MYT Regulations, 2018. SLDC has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2019-20 as per audited accounts. The calculation of RoE is summarised in the table below:

**Table 5-8: Return on Equity for FY 2021-22 (Rs. Crore)**

Sl. No	Particulars	Claimed in ARR
1	Opening Equity	2.54

2	Addition during the year	0.64
3	Closing Equity	3.18
4	Average Equity	2.86
5	Rate of Return on Equity	15.50%
	Tax Rate %	17.47%
	Effective Rate of Return on Equity	18.78%
6	<b>Return on Equity</b>	<b>0.54</b>

The Hon'ble Commission is requested to approve RoE of Rs. 0.54 Crore in revised ARR of FY 2021-22.

## 5.7 Interest and Finance Charges

SLDC has considered the opening balance of loan for FY 2021-22 same as the closing balance of FY 2020-21. The interest and finance charges have been calculated in accordance with Regulation 24 of BERC MYT Regulations, 2018. SLDC has considered repayment equal to depreciation as specified in the Regulation 24 (e) of BERC MYT Regulations, 2018.

Regulations 24 (g) of BERC MYT Regulations, 2018 provides for consideration of State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') rate in case of normative loans outstanding but no actual loans. The relevant extract is as follows:

*"24.(g) The rate of interest shall be the weighted average rate of interest...  
.....Provided further that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') shall be applicable."*

The rate of interest has been considered as per the above Regulation, as the one-year MCLR rate of 7.00% as on November 2020. The calculation of interest on normative loan is summarised below:

**Table 5-9: Interest and Finance Charges for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
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1	Opening Loan	4.82
2	Addition during the year	1.48
3	Normative Repayment (Equal to Depreciation)	2.50
4	Closing Loan	3.80
5	Average Loan	4.31
6	Interest Rate (%)	7.00%
7	Interest on Loan	0.30
8	Other Finance Charges	-
9	Interest and Finance Charges	0.30

**The Hon'ble Commission is requested to approve Interest on Normative loan of Rs. 0.30 Crore in revised ARR of FY 2021-22.**

## 5.8 Non-Tariff Income

The Petitioner has projected the Non-Tariff Income in ARR of FY 2021-22 in line with the amount estimated in APR for FY 2020-21. SLDC has considers Rs. 0.14 Crore in ARR of FY 2021-22 on account of Non-Tariff-Income.

**The Hon'ble Commission is requested to approve Non-Tariff Income of Rs. 0.14 Crore in ARR of FY 2021-22.**

## 5.9 Interest on Working Capital

The Petitioner has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulation, 2018, as follows:

*"26 Interest on working Capital*

*The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:*

- (i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.*
- (ii) O&M Expenses of one (01) month.*
- (iii) Maintenance spares @ 15% of O&M expenses for one month...*

### Transmission System Users.

*b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points..."*

In the Tariff Order dated February 15, 2019, the Hon'ble Commission while calculating IoWC for FY 2021-22 has considered the components of working capital requirement as i) O&M expenses (1 month), ii) Maintenance spares @15% of 1-month O&M expenses, iii) Receivables - 2 months. Further, Depreciation and ROE for two months were deducted. In accordance with the above provisions and method of Hon'ble Commission, SLDC has computed the interest on working capital for FY 2021-22. Regulation 26 (b) specifies that the rate of interest shall be equal to State Bank of India (SBI) one-year MCLR as of the date on which Tariff Petition is filed plus 150 basis points.

SLDC has hence, considered MCLR rate of 7.00% for one-year tenure revised with effect from 10<sup>th</sup> November 2019 as available on its website (<https://www.sbi.co.in/portal/web/interest-rates/mclr>) and accordingly added 150 basis points as provided in the Regulation. SLDC has therefore, considered interest rate of 8.50% (7.00%+1.50%) for computation of interest on working capital for FY 2021-22, as shown in the Table below:

**Table 5-10: Interest on Woking Capital for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Claimed in ARR
1	Receivables equivalent to two (2) months	1.63
2	O&M Expenses of one month	0.53
3	Maintenance spares @ 15% of O&M expenses for one month	0.08
	Less: Depreciation, RoE and contribution to contingency reserve for 2 months	0.18
<b>4</b>	<b>Total Working Capital</b>	<b>2.06</b>
5	Rate of Interest on Working Capital (%)	8.50%
<b>6</b>	<b>Interest on Working Capital</b>	<b>0.18</b>

The Hon'ble Commission is requested to approve Interest on Working Capital of Rs. 0.18 Crore in revised ARR of FY 2021-22.

### 5.10 Aggregate Revenue Requirement (ARR) for FY 2021-22

The Petitioner submits the revised ARR for FY 2021-22 as discussed in the above paragraphs, is as shown in the Table below:

**Table 5-11: ARR for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT	Claimed in ARR
1	O&M cost	7.80	6.38
a	Employee cost	3.95	5.66
b	R&M expenses	3.32	0.37
c	A&G expenses	0.53	0.35
2	Depreciation	0.01	2.50
3	Interest on Loan Capital	0.02	0.30
4	Interest on Working Capital	0.21	0.18
5	Return on Equity	0.01	0.54
6	Less: Non-Tariff Income	0.14	0.14
7	<b>Total ARR</b>	<b>7.91</b>	<b>9.76</b>

The Petitioner requests the Hon'ble Commission to approve Rs. 9.76 Crore as revised ARR for FY 2021-22.

## 6 SLDC Operating Charges

### 6.1 Trued up Revenue Gap of FY 2019-20

The Petitioner has arrived at net Revenue Gap of Rs. 0.54 Crore in the Truing up for FY 2019-20. The Petitioner, in terms of Regulation 22 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2018 has carried forward the Trued-up Revenue Gap of FY 2019-20 along with carrying cost to the ARR of FY 2021-22.

The Petitioner has considered the carrying cost of 10.05% (SBI Base Rate 8.55%+1.50%) as on April 1, 2019 for half year of FY 2019-20, 9.25% (SBI MCLR 7.75%+1.50%) as on April 1, 2020 for one year of FY 2020-21 and 8.50% (SBI Base Rate 7.00%+1.50%) as on November 10, 2020 for half year of FY 2021-22, as per the methodology adopted by APTEL in the Judgment dated 08.04.2015 in Appeal No.160 of 2012 (Reliance Infrastructure Ltd. Vs MERC & others), and as per the methodology adopted by the Hon'ble Commission in previous Tariff Orders, as detailed in the below Table:

**Table 6-1: Revenue Gap of FY 2019-20 with carrying cost (Rs. Crore)**

Sl. No.	Particulars	FY 2019-20
1	Revenue Gap in True Up of 2019-20	0.54
2	Interest for FY 2019-20 [(SBI Base Rate 8.55%+1.50%) @10.05%] for 6 months	0.03
3	Interest for FY 2020-21 [(SBI MCLR 7.75%+1.50%) @9.25%] for 1 year	0.05
4	Interest for FY 2021-22 [(SBI MCLR 7.00%+1.5%) @8.50%] for 6 months	0.02
5	<b>Total Revenue Gap with carrying cost</b>	<b>0.64</b>

### 6.2 Annual SLDC Operating Charges for FY 2021-22

The Petitioner has projected the revised ARR of FY 2021-22 at Rs. 9.76 Crore. The Revenue Gap of FY 2019-20 along with Carrying cost works out to Rs. 0.64 Crore as shown in the Table above. The Annual SLDC Operating charges for FY 2021-22 has hence, been computed as shown in the Table below:



**Table 6-2: Annual SLDC Operating Charges for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	FY 2021-22
1	Aggregate Revenue Requirement for FY 2021-22	9.76
2	Trued up Revenue Gap with carrying cost for FY 2019-20	0.64
3	<b>Annual SLDC Charges for FY 2021-22</b>	<b>10.40</b>

**The Petitioner requests the Hon'ble Commission to approve Annual SLDC Operating Charges of Rs. 10.40 Crore for FY 2021-22.**

### 6.3 Methodology for recovery of ARR

The Petitioner proposes to recover the SLDC Operating Charges as per Regulation 35 of BERC MYT Regulations, 2018, as reproduced below:

*“35. Sharing of SLDC Charges*

*35.1 The SLDC Charges payable by the Transmission System Users shall be computed in accordance with the following formula: -*

*SLDC Charges payable for a month  $SC_n = (SC/12) * (AC_n/SAC)$*

*Where,  $SC_n$  = SLDC charge payable by Transmission System user*

*SC = Approved SLDC Aggregate Revenue Requirement for the year*

*$AC_n$  = Actual installed capacity of nth Transmission System user in case of generating stations/long term and medium term contracted capacities in case of sellers/aggregated allocated capacity and contracted capacity in case of distribution licensee/long term contracted capacity in case of buyer. SAC = Sum of actual installed capacity of Transmission System users in case of generating stations (within Bihar), long term and medium term contracted capacities in case of sellers, aggregated allocated capacity and contracted capacity in case of distribution licensee and long term contracted capacity in case of buyer.*

*35.2 The SLDC Charges approved for the Year shall be equally spread over the 12 months of the Year and SLDC Charges per MW per month shall be computed by SLDC accordingly.”*





Accordingly, the Petitioner proposes to recover the SLDC charges on monthly basis from Long-Term Transmission system users in the ratio of their contracted capacity, as shown in the Tables below:

**Table 6-3: Monthly SLDC Operating Charges for FY 2021-22 to Transmission System Users (Rs. Crore)**

Sl. No.	Particulars	FY 2021-22
1	Annual SLDC Operating Charges for FY 2021-22	10.40
2	Monthly SLDC Operating Charge for FY 2021-22	0.87

**Table 6-4: SLDC Charges (Rs)**

Sl. No.	DISCOMs/LTA/PAYEE	Contracted/ Allocated capacity (MW)	Monthly SLDC Operating Charges (Rs.)
1	NBPDCL	2721.36	34,21,334
2	SBPDCL	3194.64	40,16,348
3	NTPC, Barauni	360	4,52,597
4	KBUNL	220	2,76,587
5	ECR, Hajipur	100	1,25,721
6	Bihar State Hydro Power Corporation	54.3	68,267
7	Response Renewable Energy Ltd. (Nawada)	10	12,572
8	Welspun/ Walehan Solar Bh Ltd( Sherghati) P-I	15	18,858
9	Welspun/ Walehan Solar Bh Ltd (Sherghati)P-II	15	18,858
10	Welspun/ Walehan Solar Bh Ltd (Sherghati) P-III	10	12,572
11	Avantika Constructors(I) Ltd.	5	6,286
12	ACME (Magadh Solar Power Pvt. Ltd.)	10	12,572
13	ACME (Nalanda Solar Power Pvt. Ltd.)	15	18,858



Sl. No.	DISCOMs/LTA/PAYEE	Contracted/ Allocated capacity (MW)	Monthly SLDC Operating Charges (Rs.)
14	Azure Power Eris Pvt. Ltd.(Murera, Ramnagar)	10	12,572
15	Sunmark Energy Project Ltd. (Sherghati)	10	12,572
16	Udipta Energy Equipment Pvt.Ltd. (Banka)	5	6,286
17	Alfa InfrapropPvt. Ltd. (Rafiganj)	20	25,144
18	GLAT SPP- Nawada	3	3,772
19	Bihar Distillers &BottelersPvt. Ltd. (Ara)	9.4	11,818
20	New Swadeshi Sugar Mill(Ramnagar)	10	12,572
21	Harinagar Sugar Mill(Ramnagar)	14.5	18,230
22	Bharat Sugar Mill (Goplaganj)	18	22,630
23	HPCL, Biofuel, Sagauli (Motihari)	20	25,144
24	HPCL, Biofuel, Lauriya(Ramnagar)	20	25,144
25	Hasanpur Sugar Mill (Dalsinghsarai)	10	12,572
26	Riga Sugar Mill (Sitamarhi)	3	3,772
27	Tirupati Sugar Ltd.	6	7,543
28	Siddhashra Rice Mill (Buxar)	2	2,514
	Total Capacity	6891.2	86,61,203

**The Petitioner requests the Hon'ble Commission to approve Monthly SLDC Operating Charges for FY 2021-22 as shown in the Table above.**

## 7 Prayers

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The petitioner respectfully requests the Hon'ble Commission to:

- I. Admit this Petition;
- II. Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
- III. Pass suitable Orders with respect to the Trued-up ARR for FY 2019-20 of Rs. 5.33 Crore, APR for FY 2020-21 of Rs. 7.19 Crore and ARR for FY 2021-22 of Rs. 9.67 Crore;
- IV. Approve the SLDC Charges as per the proposal and allow relaxation in tariff norms wherever sought for;
- V. Pass separate Order for the Petitioner against the present Petition;
- VI. Permit to propose suitable changes to the respective True-up/APR/ARRs, prior to the final approval by the Hon'ble Commission;
- VII. Permit to revise any inadvertent omissions/errors/shortcomings, etc., and accordingly add/change/modify/alter this filing and make further submissions as may be required at a future date;
- VIII. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;
- IX. To condone the delay in filing of present Tariff Petition for FY 2021-22 due to the existing scenario of COVID-19 pandemic.

Place: Patna

A. K. Chaudhary



Dated: 24 December 2020

Chief Engineer (System Operations)

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## 8 Compliance to Directives

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The Hon'ble Commission in Tariff Order dated 20<sup>th</sup> March 2020 had issued certain directives to SLDC. This chapter deals with the compliance status of directives for compliance and implementation by the petitioner.

### 8.1 Directive 1: Autonomy of SLDC

#### a) Original Directive issued by the Hon'ble Commission

The direction issued by the Hon'ble Commission in this regard is as follows:

*"The Petitioner is directed to take necessary steps to strengthen the SLDC and also to make it a separate entity. The status report shall be furnished by 30.09.2019."*

#### b) Commission's Observation and Direction in Order dated 20 March 2020

The Petitioner is again directed to take necessary steps to make it an independent separate entity as mandated in the Law. The status report shall be furnished by 30.06.2020.

#### c) Compliance Status and Action to be taken by SLDC

SLDC is in process of strengthening its system and is in process of implementation of SAMAST. After successful implementation of SAMAST and strengthening of SLDC, the matter will be put up before BSP(H)CL Board for approval.

### 8.2 Directive 2: Users of SLDC

#### a) Original Directive issued by the Hon'ble Commission

The direction issued by the Commission in this regard is as follows:

*"The Commission directs the petitioner to register all users of SLDC and furnish the status report by 30.09.2019."*

#### b) Commission's Observation and Direction in Order dated 20 March 2020

The Commission has noted the reply of SLDC. The Commission directs the petitioner to register all users of SLDC and furnish the latest status report by 30.09.2020 in the following format: -

Sl. No.	Name of User	Type of User	Connected load / Contract demand	Period of contract Dates		Timing of contract
				From	To	

**c) Compliance Status and Action to be taken by SLDC**

SLDC has registered all the users as per directions and the duly filled up format is given below:

Sl. No.	Name of User	Type of User	Installed/ allocated capacity(MW)	Duration (in Years)	Contract Period	
					From (COD/NO C for OA)	To
1	NBPDCL	Distribution	2721.36			
2	SBPDCL	Distribution	3194.64			
3	NTPC, Barauni	Seller	360			
4	KBUNL	Seller	220	25	05.07.2013	04.06.2038
5	ECR, Hajipur	Deemed Distribution	100	10	28.05.2018	27.05.2028
6	Bihar State Hydro Power Corporation	Seller	54.3	35 (< 5 MW) 13 (5 to 25 MW)		
7	Response Renewable Energy Ltd. (Nawada)	Seller	10	25	31.12.2016	30.11.2041
8	Welspun/ Walehan Solar Bh Ltd (Sherghati) P-I	Seller	15	25	16.07.2016	15.06.2041
9	Welspun/ Walehan Solar Bh Ltd (Sherghati)P-II	Seller	15	25	16.07.2016	15.06.2041
10	Welspun/ Walehan Solar Bh Ltd (Sherghati) P-III	Seller	10	25	16.07.2016	15.06.2041
11	Avantika Constructors(I) Ltd.	Seller	5	25	31.01.2016	31.12.2041
12	ACME (Magadh Solar Power Pvt. Ltd.)	Seller	10	25	28.06.2016	27.05.2041
13	ACME (Nalanda Solar Power Pvt. Ltd.)	Seller	15	25	28.06.2016	27.05.2041
14	Azure Power Eris Pvt. Ltd.(Murera, Ramnagar)	Seller	10	25	14.07.2016	13.06.2041



15	Sunmark Energy Project Ltd. (Sherghati)	Seller	10	25	30.11.2016	31.10.2041
16	Udipta Energy Equipment Pvt.Ltd. (Banka)	Seller	5	25	16.12.2016	15.11.2041
17	Alfa Infraprop Pvt. Ltd. (Rafiganj)	Seller	20	25	16.12.2016	15.11.2041
18	GLAT SPP- Nawada	Seller	3	25	31.12.2016	30.11.2041
19	Bihar Distillers & Bottlers Pvt. Ltd. (Ara)	Seller	9.4	13	29.01.2017	28.12.2030
20	New Swadeshi Sugar Mill (Ramnagar)	Seller	10	13	21.01.2007	20.12.2032
21	Harinagar Sugar Mill (Ramnagar)	Seller	14.5	20	11.11.2011	10.10.2024
22	Bharat Sugar Mill (Goplaganj)	Seller	18	13	07.12.2008	06.11.2021
23	HPCL, Biofuel, Sagauli (Motihari)	Seller	20	13	25.11.2010	24.10.2023
24	HPCL, Biofuel, Lauriya (Ramnagar)	Seller	20	13	25.11.2010	24.10.2023
25	Hasanpur Sugar Mill (Dalsinghsarai)	Seller	10	13	27.11.2018	26-10-2031
26	Riga Sugar Mill (Sitamarhi)	Seller	3	13	01.12.2014	30.11.2027
27	Tirupati Sugar Ltd.	Seller	6	13	20.11.2017	20.11.2030
28	Siddhashra Rice Mill (Buxar)	Seller	2	13	28.08.2016	28.08.2029

### 8.3 Directive 3: Implementation of Scheduling, Accounting, Metering and Settlement of Transactions in Electricity (SAMAST)

#### a) Original Directive issued by the Hon'ble Commission

*"SLDC is directed to adhere to the road map for SAMAST and submit an updated status report on the implementation of SAMAST by August 2018."*

#### b) Commission's Observation and Direction in Order dated 20 March 2020

The Commission has noted the reply of SLDC. SLDC is directed to adhere to the scheduled completion date of 05.06.2020. Updated status report on the implementation of SAMAST may be submitted by 30.06.2020.

**c) Compliance Status and Action to be taken by SLDC**

Due to the COVID-19 pandemic work of SLDC was hampered severely. As a result, implementation of SAMAST is delayed. However, all modules of SAMAST has been put to use (go live) from 23.12.2020.

#### **8.4 Directive 4: Asset Register**

**a) Original Directive issued by the Hon'ble Commission**

*"SLDC is directed to develop its own assets in future and to delink from PGCIL and submit its plan/proposal; if any in this regard. SLDC is further directed to maintain asset / property register, owned by SLDC and PGCIL separately showing the details of nature of equipment, value of equipment, buildings and other civil works etc., copy of the asset register to be submitted along with tariff petition to be filed for FY 2019-20."*

**b) Commission's Observation and Direction in Order dated 20 March 2020**

The Commission has noted the reply of SLDC. SLDC is again directed to maintain the asset register and submit copy of the same to the Commission including implementation of SAMAST along with next tariff petition.

**c) Compliance Status and Action to be taken by SLDC**

In compliance, SLDC assures that it will maintain the Asset Register after successful implementation of SAMAST project.

#### **8.5 Directive 5: Ring Fencing of SLDC**

**a) New Directive issued by the Hon'ble Commission**

*BSPTCL is directed to strengthen the SLDC function and to ring fence it sufficiently.*

As a first step, BSPTCL is directed to host separately a website for SLDC. The SLDC will provided details and data pertaining to SLDC functions as stipulated under Sec 32 of the Electricity Act 2003. The website will provide information on the following but not limited to below:

- i. Real-time data of power supply and demand for Bihar,
- ii. Operations data covering daily & monthly reports, day ahead demand, shutdown planning, line outages, TTC/ATC for the state, load flow studies



- iii. Scheduling data covering entitlements from power stations, drawl schedule, generator schedule, declared capacity, surplus power, bilateral schedule, estimated loss and State Energy Account.
- iv. Open Access information covering procedure for STOA, status report on STOA applications
- v. Energy accounting within the state

**b) Commission's Observation and Direction in Order dated 20 March 2020**

The Commission has noted the reply of SLDC. SLDC is directed to adhere to scheduled date of implementation and report compliance by 30.06.2020.

**c) Compliance Status and Action to be taken by SLDC**

Due to the COVID-19, crisis works of SLDC was hampered severely and as a result implementation of SAMAST was delayed. SLDC reports that it is in the final stages of finalization of the website and it will be implemented by January 2021.

## **8.6 Directive 6: PSDF Grant for SAMAST**

**a) New Directive issued by the Hon'ble Commission**

The Commission directs the SLDC to keep pursuing with the Ministry of Power/Government of India for release of PSDF grant as per the PSDF guidelines.

**b) Compliance Status and Action to be taken by SLDC**

SLDC is continuously pursuing PSDF for sanctioning the grant. SLDC is attaching the letters of communication with PSDF regarding the same as **Annexure II**.

### **State Load Despatch Centre**

Cost Break up Project SAMAST (Rs Crores)			
S.N.	Project Details	Cost Drivers	Award Cost*
1	Appointment of agency for implementation of balance work of SAMAST in Bihar.	a. Software and Hardware including Licensing.	10.59
		b. Civil Work	
		c. AMC (for 05 years for Hardware & Software after post warranty period i.e 01 for S/W and 03 years for H/W)	11.8
		d. Manpower cost for 05 year.	
		<b>Total</b>	<b>22.39</b>

Work awarded on 06.06.2019

Payment Terms of Project for SAMAST (Rs Crores)					
Sl. No	Parameter	FY 2018-19 (Rs Crores)	FY2019-20	FY2020-21	FY2021-22
				(Projected)	(Projected)
1	IRF	-	2.77	5.7	(2.12+0.37*)
2	<b>Total</b>	<b>-</b>	<b>2.77</b>	<b>5.7</b>	<b>2.49</b>

\*for AMC for 1st year for software only

Source of fund SAMAST (Rs Crores)						
Sl. No	Name of Scheme	Total project cost	Tentative Expenditures (Rs. In Cr)			Mode of Finance
			FY 2019-20	FY 2020-21	FY 2021-22	
1	Appointment of agency for implementation of balance work of SAMAST in Bihar against NIT No.-115/PR/BSPTCL/2018.	10.59	2.77	5.7	2.12	Internal Resource fund

Capital Expenditure CWIP through Internal Resources Fund (Rs Crores)						
Sl. No	Name of Work	Contract Amount	FY: 2018-19	FY:	FY:	FY:
		for Project		2019-20	2020-21	2021-22
		(Rs. in Cr.)				
1	Appointment of agency for implementation of balance work of SAMAST in Bihar (excluding 05 years AMC)	10.59	Nil	2.77	5.7	2.12

Revenue expenditure through IRF					
Sl No	Name of Work (AMC)	FY: 2018-19	FY: 2019-20	FY: 2020-21	FY: 2021-22
1	S/F including Manpower cost				0.37
2	H/W including Manpower cost				-

**Table 2. 5: Capitalization of assets**

Sl. No	Name of Work	FY 2019-20	FY 2020-21	FY 2021-22
1	Assets likely to be capitalised	0	8.47	2.12

Signature of Petitioner

## **State Load Despatch Centre**

Form-F14(c)

S.N	Particulars	2019-20	2020-21	2021-22
1	Number of employees at the beginning of FY			
a)	Technical	37	43	48
b)	Non-Technical (Administration)	4	2	2
c)	Non-Technical(Revenue, Finance and Accounts)		0	0
	Total	41	45	50
2	No. of employees added during FY			
a)	Technical	8	6	0
b)	Non-Technical (Administration)	2	0	0
c)	Non-Technical(Revenue, Finance and Accounts)	0	0	0
	Total	10	6	0
3	Number of employees retiring/ leaving during the FY			
a)	Technical	2	1	0
b)	Non-Technical (Administration)	4	0	0
c)	Non-Technical(Revenue, Finance and Accounts)	0	0	0
	Total	6	1	0
4	Number of employees at the end of the FY (1+2-3)			
a)	Technical	43	48	48
b)	Non-Technical (Administration)	2	2	2
c)	Non-Technical(Revenue, Finance and Accounts)	0	0	0
	Total	45	50	50

Signature of Petitioner

## State Load Despatch Centre

### Employee Expenses

Form- F14(a)

S.N	Particulars	2018-19		2019-20		2020-21	
		Approved in MYT/RE	Actual	Approved in MYT	Revised Estimate	Approved in MYT	Projected
1	Salaries & Allowances		4.70		5.10		5.37
(i)	Existing Employees						
(ii)	New Employees						
(ii)	Total		4.70		5.10		5.37
2	Contribution to Terminal Benefits (Accrual Basis)		0.40				-
3	<b>Total of Salary &amp; Allowances and Terminal Benefits</b>		<b>5.10</b>		<b>5.10</b>		<b>5.37</b>
4	Indexation				<b>5.35%</b>		<b>5.35%</b>
5	Inflationary increase				0.27		0.29
6	Amount Capitalized		-	-			
7	<b>Grand Total</b>	<b>3.63</b>	<b>5.10</b>	<b>3.79</b>	<b>5.37</b>	<b>3.95</b>	<b>5.66</b>

Signature of Petitioner

## **State Load Despatch Centre**

**R&M Expenses**

Form-F15

Particulars		FY 2019-20		FY 2020-21	FY 2021-22
		Approved	Actual	Projected	Projected
1	Average Gross Fixed Assets	Nil	Nil	Nil	
2	Percentage point as per the norm (%)				
3	AMC cost				0.37
4	Repair & Maintenance Expenses	0.64	0.00	0.00	0.37

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## **State Load Despatch Centre**

### **A&G Expenses**

<b>Particulars</b>	<b>FY 2019-20</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>
	<b>Approved in MYT</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>
Rent, rates & taxes		-		
Insurance		-		
Telephone, postage & Telegrams		0.02		
Consultancy fees		-		
Technical fees		-		
Other professional charges		-		
Conveyance & travel expenses		-		
Electricity & Power charges		0.24		
Fees and Subscription		0.03		
Misc Expenses		0.03		
Other expenses		-		
Penalty/Fine Paid (if any)		-		
Any other expenses (please specify)		0.00		
Total expenses		0.33	0.33	0.34
<b>Indexation</b>			3.91%	3.91%
<b>Inflationary increase</b>			0.01	0.01
Less Capitalised		-		
Total expenses charged to revenue	0.53	0.33	0.34	0.35

Signature of Petitioner

## **State Load Despatch Centre**

### **O&M Expenses**

Sl. No	Particulars	FY 2019-20		FY 2020-21	FY 2021-22
		Approved	Actual	Projected	Projected
1	Repair and Maintenaance Expenses	0.64	0.00	0.00	0.37
2	Employee Expenses	3.63	5.10	5.37	5.66
3	Administrative and General	0.53	0.33	0.34	0.35
4	Less: Expenses Capitalized				
5	<b>Net O&amp;M Expenses</b>	<b>4.80</b>	<b>5.43</b>	<b>5.71</b>	<b>6.38</b>

Signature of Petitioner

## **State Load Despatch Centre**

**Interest on Working Capital**

Form-F19

SL. No.	Particulars	FY 2019-20		FY 2020-21	FY 2021-22
		Approved in MYT	Actual	Projection	Projection
1	Receivables equivalent to two months	0.40	0.64	1.21	1.63
2	O&M Expenses of one month	0.02	0.45	0.48	0.53
3	Maintenance spares @ 15% of O&M expenses for one month	0.8	0.07	0.07	0.08
4	Less: Depreciation, RoE and contribution to contingency reserve for 2 months		-	0.08	0.18
5	Total Working Capital	1.22	1.16	1.67	2.06
6	Interest Rate	10.00%	9.66%	8.50%	8.50%
7	Interest on Working Capital	0.12	0.11	0.14	0.18

Signature of Petitioner



**State Load Despatch Centre**

Gross Fixed Asset

Form -F7

Sl No	Particulars	Previous Year FY 2019-20		Current Year 2020-21	Ensuing years FY 2020-21
		Approved in MYT	Actual	Projected	Projected
1	GFA as per (Financial/Statutory Account) at the beginning of the year	-	0	0	8.47
2	Expenditure allowed but not capitalized in Financial/Statutory Account	-			-
3	Expenditure Capitalized in Financial/Statutory Account but not allowed.	-			-
4	Admitted	0	0	0	8.47
<b>5</b>	<b>Addition/adjustment to Gross Fixed Assets (During the year):</b>	12.05		8.47	2.12
6	Expenditure capitalized in Financial/ Statutory Account	-		-	-
7	Expenditure allowed but not capitalized in Financial/Statutory Account	-		-	-
8	Expenditure Capitalized in Financial/Statutory Account but not Allowed.	-	-	-	-
9	Gross Fixed Assets (as at end of the year) Admitted by the commission (4+5+6-7)	12.05	0	8.47	10.59
10	Average GFA (Opening+Closing)/2	6.025	0	4.235	9.53
11	Depreciation at 26.26% of Average GFA			1.11	2.50

Signature of Petitioner

## **State Load Despatch Centre**

### **Capitalization**

<b>Sl. No</b>	<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
1	Opening Balance		-	8.47
2	Capitalisation During the year		8.47	2.12
3	Closing Balance		8.47	10.59
4	Loan		5.93	1.48
5	Equity		2.54	0.64

Signature of Petitioner

## **State Load Despatch Centre**

### **Return on Equity**

Sl. No	Particulars	FY 2019-20		FY 2020-21	FY 2021-22
		Approved in MYT	Actual	Projected	Projected
1	Opening Balance			0.00	2.54
2	Addition			2.54	0.64
3	Deletions			0.00	0.00
4	Closing Balance			2.54	3.18
5	Average Balance			1.27	2.86
6	ROE			15.50%	15.50%
7	Tax Rate %			17.47%	17.47%
8	Effective Rate of Return on Equity			18.78%	18.78%
9	Return on Equity			0.24	0.54

Signature of Petitioner

## **State Load Despatch Centre**

### **Interest on loan**

<b>Sl. No</b>	<b>Particulars</b>	<b>FY 2019-20</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>
		<b>Approved in MYT</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>
1	Opening Balance			0.00	4.82
2	Addition			5.93	1.48
3	Repayment			1.11	2.50
4	Closing Balance			4.82	3.80
5	Average Balance			2.41	4.31
6	Interest Rate			7.00%	7.00%
7	Interest Amount			0.17	0.30

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### **State Load Despatch Centre**

#### **Non Tariff Income**

<b>Sl. No</b>	<b>Particulars</b>	<b>FY 2019-20</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>
		<b>Approved in MYT</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>
1	STOA SLDC Charges		0.093	0.12	
A	ITC		0.033	0.036	
B	Bihar Cement		0.033	0.031	
C	New Bihar Cement		0.027	0.031	
D	Ultra Tech Cement		-	0.018	
2	Charges from Railway		0.093		
3	Miscellaneous Receipts		0.003	0.003	
4	Application fee received		0.017	0.022	
5	Total Non Tariff Income		0.21	0.14	0.14

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## **State Load Despatch Centre**

Form-F1

Sl No.	Particulars	2019-20		2020-21		2021-22	
		Approved in MYT	Actual	Approved in MYT	Projected	Approved in MYT	Projected
<b>A.</b>	<b>Income from SLDC</b>						
<b>1</b>	SLDC Charges at current tariff rates	3.83	3.83		7.55		-
<b>2</b>	Subsidy from Govt. (If any)						
	<b>Total Receipts ( A)</b>	3.83	3.83		7.55		-
<b>B</b>	<b>Expenditure</b>						
<b>1</b>	Employee Expenses	3.63	5.10		5.37		5.66
<b>2</b>	R&M Expense	0.64	-		-		0.37
<b>3</b>	A&G Expense	0.53	0.33		0.34		0.35
<b>4</b>	Total O&M expenses (i+ii+iii+iv)	4.80	5.43	-	5.71	-	6.38
<b>5</b>	Return on Equity	-			0.24		0.54
<b>6</b>	Depreciation	-			1.11		2.50
<b>7</b>	Interest and finance charges on Loan	-			0.17		0.30
<b>8</b>	Interest on Working Capital	0.12	0.11		0.14		0.18
	<b>Total Expenditure (B)</b>	4.92	5.54		7.37		9.90
<b>C</b>	<b>Other Deductions</b>						
<b>1</b>	Income from other Business						
<b>2</b>	Non-tariff income	0.11	0.21		0.14		0.14
	<b>Total Other Deductions (C)</b>	0.11	0.21	-	0.14	-	0.14
<b>D</b>	<b>Net ARR for Transmission Function( B-C)</b>	<b>4.81</b>	<b>5.33</b>	<b>6.94</b>	<b>7.23</b>		<b>9.76</b>
<b>E</b>	<b>Shortfall/Excess before tariff revision impact (A-D)</b>	0.98	0.98	0.61	0.61		
<b>F</b>	<b>Tariff Revision Impact</b>	3.83	4.35	7.55	7.84		
	<b>Rebate Allowed</b>		0.02				
<b>G</b>	<b>Shortfall/Excess after tariff revision impact (E-F)</b>		0.54		0.29		

Signature of Petitioner

### State Load Despatch Centre

Sl. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Balance	-	0.54	0.54
2	Addition	0.54	0	0
3	Closing Balance	0.54	0.54	0.54
4	Average Balance	0.27	0.54	0.27
5	Interest Rate	10.05%	9.25%	8.50%
6	Carrying Cost	0.03	0.05	0.02
7	Total Carrying Cost			0.638
8	ARR of FY 2021-22			9.76
9	Revised ARR for FY 2021-22			10.40
10	Monthly ARR for FY 2021-22			0.87

Users of SLDC and SLDC Charges			
Sl. No.	DISCOMs/LTA/PAYEE	Contracted/ Allocated capacity(MW)	SLDC Charges per month in Rs.
1	NBPDCL	2721.36	34,21,334
2	SBPDCL	3194.64	40,16,348
3	NTPC, Barauni	360	4,52,597
4	KBUNL	220	2,76,587
5	ECR, Hajipur	100	1,25,721
6	Bihar State Hydro Power Corporation	54.3	68,267
7	Response Renewable Energy Ltd. (Nawada)	10	12,572
8	Welspun/ Walehan Solar Bh Ltd( Sherghati) P-I	15	18,858
9	Welspun/ Walehan Solar Bh Ltd (Sherghati)P-II	15	18,858
10	Welspun/ Walehan Solar Bh Ltd (Sherghati) P-III	10	12,572
11	Avantika Constructors(I) Ltd.	5	6,286
12	ACME (Magadh Solar Power Pvt. Ltd.)	10	12,572
13	ACME (Nalanda Solar Power Pvt. Ltd.)	15	18,858
14	Azure Power Eris Pvt. Ltd.(Murera, Ramnagar)	10	12,572
15	Sunmark Energy Project Ltd. (Sherghati)	10	12,572
16	Udipta Energy Equipment Pvt.Ltd. (Banka)	5	6,286
17	Alfa InfrapropPvt. Ltd. (Rafiganj)	20	25,144
18	GLAT SPP- Nawada	3	3,772
19	Bihar Distillers & Bottlers Pvt. Ltd. (Ara)	9.4	11,818
20	New Swadeshi Sugar Mill(Ramnagar)	10	12,572
21	Harinagar Sugar Mill(Ramnagar)	14.5	18,230
22	Bharat Sugar Mill (Goplaganj)	18	22,630
23	HPCL, Biofuel, Sagauli (Motihari)	20	25,144
24	HPCL, Biofuel, Lauriya(Ramnagar)	20	25,144
25	Hasanpur Sugar Mill (Dalsinghsarai)	10	12,572
26	Riga Sugar Mill (Sitamarhi)	3	3,772
27	Tirupati Sugar Ltd.	6	7,543
28	Siddhashra Rice Mill (Buxar)	2	2,514
	Total Capacity	6891.2	86,61,203

Signature of Petitioner

**BSPTCL-HQ - (from 1-Apr-2019)**
**Trial Balance**

1-Apr-2019 to 31-Mar-2020

Particulars	BSPTCL-HQ - (from 1-Apr-2019)			
	1-Apr-2019 to 31-Mar-2020			
	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
<b>Capital Account</b>	<b>64442015681.38 Cr</b>			<b>64442015681.38 Cr</b>
Reserves & Surplus	12213109752.00 Dr			12213109752.00 Dr
<i>Capital Reserves</i>	337461880.00 Cr			337461880.00 Cr
<i>Revaluation Reserve</i>	12550571632.00 Dr			12550571632.00 Dr
Capital Grants	762796650.38 Cr			762796650.38 Cr
<i>Deposit Under RSVY (PGCIL)</i>	532575669.38 Cr			532575669.38 Cr
<i>Grant- PSDF(Capacitor)</i>	56640000.00 Cr			56640000.00 Cr
<i>Grants-PSDF</i>	373600000.00 Cr			373600000.00 Cr
<i>Grants Towards Cost of Capital Assets</i>	200019019.00 Dr			200019019.00 Dr
Share Capital	75892328783.00 Cr			75892328783.00 Cr
<i>Equity Share Application Money</i>	3438592703.00 Cr			3438592703.00 Cr
<i>Paid Up Equity Capital</i>	72453736080.00 Cr			72453736080.00 Cr
<b>Current Liabilities</b>	<b>9467390619.16 Cr</b>	<b>3681319.00</b>	<b>17694581.00</b>	<b>9481403881.16 Cr</b>
Liability to Supplies/Works	3198084.00 Cr			3198084.00 Cr
Liability for Supplier/contractor	3198084.00 Cr			3198084.00 Cr
Other Current Liabilities	8649212678.16 Cr		8689887.00	8657902565.16 Cr
Advance Entry Tax				
Deposits and Retentions	7249523717.67 Cr			7249523717.67 Cr
Other Liability	3364228.00 Cr		12825.00	3377053.00 Cr
Statutory Dues	70370681.48 Cr		7466462.00	77837143.48 Cr
Terminal Benefits Liabilities	12008297.00 Cr		1210600.00	13218897.00 Cr
<i>Audit Fee Payable</i>	99488243.32 Cr			99488243.32 Cr
<i>Intt Accrue and Due-BSPHCL (ADB Portion)</i>	1214457510.69 Cr			1214457510.69 Cr
Short Term Provisions	814979857.00 Cr	3681319.00	9004694.00	820303232.00 Cr
<b>Fixed Assets</b>	<b>716454519.74 Dr</b>			<b>716454519.74 Dr</b>
Accumulated Depreciation	80126834.00 Cr			80126834.00 Cr
Dep on Furniture & Fixture	9090967.00 Cr			9090967.00 Cr
Dep on Office Equipments	4349574.65 Cr			4349574.65 Cr
Dep on Plant & Machinery	66686292.35 Cr			66686292.35 Cr
Capital Expenditure in Progress	624281073.03 Dr			624281073.03 Dr
Cap WIP-ADB	719642461.69 Dr			719642461.69 Dr
Cap WIP- BRGF	48805487.66 Cr			48805487.66 Cr
Cap WIP- Deposit Scheme	4090762.00 Cr			4090762.00 Cr
Cap WIP- PSDF	661354.00 Cr			661354.00 Cr
Cap WIP- State Plan	41803785.00 Cr			41803785.00 Cr
Fixed Assets (Gross Block)	172300280.71 Dr			172300280.71 Dr
Furniture & Fixture	69993147.00 Dr			69993147.00 Dr
Office Equipments	19979198.71 Dr			19979198.71 Dr
Plant & Machinery	82327935.00 Dr			82327935.00 Dr
<b>Current Assets</b>	<b>29044749486.83 Dr</b>	<b>40172978.42</b>	<b>40044533.00</b>	<b>29044877932.25 Dr</b>
Opening Stock				
Cash-in-hand	3884.00 Dr			3884.00 Dr
Cash	878.00 Dr			878.00 Dr
<i>Cash- SLDC</i>	3006.00 Dr			3006.00 Dr
Bank Accounts	17106901018.03 Dr	1870594.42	39888601.00	17067299037.03 Dr
Axis Bank	218330.00 Dr			218330.00 Dr
Bandhan Bank	2853600579.00 Dr			2853600579.00 Dr
Bank Balances other than cash and cash equivalents	3513056698.00 Dr			3513056698.00 Dr
Bank Of India	1439721231.90 Dr			1439721231.90 Dr
Canara Bank	8761536845.45 Dr	1870594.42	39888601.00	8723518838.87 Dr
ICICI BANK	500000000.00 Dr			500000000.00 Dr
IndusInd Bank	12489601.43 Dr			12489601.43 Dr



State Bank of India	26277732.25 Dr		26277732.25 Dr
Cash and cash equivalents	2958315.00 Dr		2958315.00 Dr
Current Tax Assets	2441625827.00 Dr	768376.00	2442394203.00 Dr
Other Current Assets	380778363.00 Dr		380639058.00 Dr
Others (Current)	29610706.80 Dr		29594079.80 Dr
Trade receivables	9082871373.00 Dr	37534008.00	9120405381.00 Dr
<b>Branch / Divisions</b>	<b>74556128713.63 Dr</b>		<b>74556128713.63 Dr</b>
Inter-Company Accounts	1010826690.36 Cr		1010826690.36 Cr
Inter Unit Accounts	4878215748.43 Dr		4878215748.43 Dr
Inter-Unit Transfers	70688739655.56 Dr		70688739655.56 Dr
<b>Direct Incomes</b>	<b>181212</b>	<b>40184190.42</b>	<b>40002978.42 Cr</b>
SLDC Income	181212	40184190.42	40002978.42 Cr
Rebate@1%-SLDC	180012.00	19260.00	160752.00 Dr
SLDC Charges From Bihar Cement		330000.00	330000.00 Cr
Slidc Charges From ITC Ltd.	1200.00	331000.00	329800.00 Cr
SLDC CHARGES FROM - NBPDCI		17600004.00	17600004.00 Cr
SLDC Charges From New Bihar Cement		270000.00	270000.00 Cr
SLDC CHARGES FROM SBPDCL		20700000.00	20700000.00 Cr
SLDC OPERATING CHARGES-HAJIPUR		933926.42	933926.42 Cr
<b>Direct Expenses</b>	<b>54315663.80</b>	<b>81123.80</b>	<b>54234540.00 Dr</b>
Administrative & General Expenses	3280906.80	0.80	3280906.00 Dr
Conveyance and Travelling	10834.80		10834.80 Dr
Electricity & Power Charges	2415698.00		2415698.00 Dr
Misc Expenses	305750.00	0.80	305749.20 Dr
Telephone Expenses	229975.00		229975.00 Dr
Fees and Subscriptions	318649.00		318649.00 Dr
Employee Cost	51034757.00	81123.00	50953634.00 Dr
Dearness Allowance	5309899.00		5309899.00 Dr
D.A- Permanent Employees (Executive)	4727496.00		4727496.00 Dr
D.A- Permanent Employees (Non-Executive)	582403.00		582403.00 Dr
Medical Expenses Reimbursement	11335.00		11335.00 Dr
Medical Expenses Reimbursement (Staff)	11335.00		11335.00 Dr
Other Allowances	8543786.00	13000.00	8530786.00 Dr
Energy Allowance	1968700.00		1968700.00 Dr
City Transport Allowance	1599175.00		1599175.00 Dr
Compensatory Allowance	5000.00		5000.00 Dr
Computer Literacy Allowance	27300.00		27300.00 Dr
House Rent Allowance	4556839.00		4556839.00 Dr
Medical Allowance	60000.00		60000.00 Dr
SIM Maintenance	163386.00	6500.00	156886.00 Dr
Tablet Maintenance	163386.00	6500.00	156886.00 Dr
Salaries	33022323.00	68123.00	32954200.00 Dr
Salaries-Permanent Employees (Executive)	29406411.00	68123.00	29338288.00 Dr
Salaries-Permanent Employees (Non-Executive)	3615912.00		3615912.00 Dr
Staff Welfare Expenses	178146.00		178146.00 Dr
Free Electricity	178146.00		178146.00 Dr
Terminal Benefits	3969268.00		3969268.00 Dr
CPS Contribution (Employer)	3969268.00		3969268.00 Dr
<b>Indirect Incomes</b>		<b>199238.00</b>	<b>109238.00 Cr</b>
Miscellaneous Receipts		29238.00	29238.00 Cr
Quarter Rent Recovery		29238.00	29238.00 Cr
Application Fee Received		170000.00	170000.00 Cr
<b>Indirect Expenses</b>	<b>1493.00</b>		<b>1493.00 Dr</b>
Finance Charges	1493.00		1493.00 Dr
Bank Charges	1493.00		1493.00 Dr
<b>Non-Current Assets</b>	<b>2445687185.78 Dr</b>	<b>149000.00</b>	<b>2445538185.78 Dr</b>
Financial Assets	1003500.00 Dr	149000.00	854500.00 Dr
Other non current assets	538565752.80 Dr		538565752.80 Dr
MAT Credit Entitlement	1906117932.98 Dr		1906117932.98 Dr
<b>Non-Current Liabilities</b>	<b>14166933142.68 Cr</b>		<b>14166933142.68 Cr</b>
Long Term Liabilities & Provisions	1906117932.98 Cr		1906117932.98 Cr

Terminal Benefit Liabilities (Company) -Non Current	1049861496.00 Cr	1049861496.00 Cr
Terminal Benefit Liabilities (Govt)- Non-Current	796162764.00 Dr	796162764.00 Dr
Deferred Tax Liability/Assets	8122384744.70 Cr	8122384744.70 Cr
Loan From BSPHCL- ADB Portion	3884731733.00 Cr	3884731733.00 Cr
Profit & Loss A/c	18686680462.76 Cr	18686680462.76 Cr
<b>Grand Total</b>	<b>98352666.22</b>	<b>98352666.22</b>

*\* As no separate accounts are maintained for SLDC,Accordingly the figures of income and expenditure shown in above Trial are related to SLDC although Assets and Liabilities may also includes figures of BSPTCL*

(File No. SLDC/SAMAST-09/2018\_part-1)

Letter No. .... /

Patna Dated..... /

From,

Uttam Kumar

Director (Operation), BSPTCL

To,

Deputy Manager (NLDC)  
BSPTCL (208)  
National Load Dispatch Centre-POSOCO,  
B-9, Qutub Institutional Area,  
Katwaria Sarai, New Delhi-110016

Sub: Reminder for releasing of PSDF grant for Implementation of SAMAST (Scheduling, Accounting, Metering and Settlement of Transaction in Electricity) in SLDC, Bihar.

- Ref:
- (i) PSDF letter no. NLDC-PSDF/BSPTCL-208/2018-19/925 dated 18.10.2018
  - (ii) Director (Operation), BSPTCL letter no. - 222 dated 26.10.2018
  - (iii) Director (Operations), BSPTCL letter no.42 dated 25.01.2019.
  - (iv) Director (Operations), BSPTCL letter no.113 dated 07.03.2019
  - (v) PSDF letter dated 20<sup>th</sup> March 2020 through e-mail dated 30.05.2020.
  - (vi) Director (Operations), BSPTCL letter no.160 dated 04.06.2020.

Sir,

This is gentle reminder for your kind attention that BSPTCL has already taken up the works of implementation of SAMAST at SLDC, Bihar in line with SAMAST guidelines as directed by Hon'ble Bihar Electricity Regulatory Commission by awarding contract amounting to Rs. 22,38,73,600/-to M/s PwC in JV with M/s Infotek Services on vide NOA/W.O no. 01 dated 06.06.2019. The work is under progress by Internal Resource Fund of BSPTCL. Status of work is almost towards finalization.

Therefore, again it is requested that kindly consider and confirm the reimbursement of Rs. 6.85 Cr which has been sanctioned as grant from PSDF towards implementation of SAMAST in SLDC, Bihar vide letter dated 20th March, 2020 to BSPTCL. So that BSPTCL enter into tripartite agreement. Accordingly, expenditure on SAMAST project may be projected in Tariff petition.

Yours faithfully,

Sd/-

(Uttam Kumar)

Director (Operation), BSPTCL

Memo No.: .....270.....

Dated:.....30-09-2020.....

Copy forwarded to OSD to MD for information.

*[Signature]*  
30/09/2020  
(Uttam Kumar)

Director (Operation), BSPTCL

POWER SYSTEM OPERATION CORPORATION LIMITED

National Load Despatch Centre

(Designated as Nodal Agency in accordance with Regulation 5 of CERC (PSDF) Regulations, 2014)  
(PSDF-Secretariat)

Office Address: B-9, 1<sup>st</sup> Floor, Qutub Institutional Area, Katwaria Sarai, New Delhi - 16

Fax: 011-26524525, 26536901

Website: <https://psdfindia.in/>. Email: [psdf@posoco.in](mailto:psdf@posoco.in) ; [nldc.psdf@gmail.com](mailto:nldc.psdf@gmail.com)

Ref: NLDC-PSDF/49<sup>th</sup> TEGS/ BSPTCL-208/2019-20/1696

Dated: 8<sup>th</sup> May, 2019

सेवा मे,

General Manager cum CE

Bihar State Power Transmission Company Ltd.

Transmission Zone, Barrack No: 09,

New Punaichak, Patna- 800023

Email: [trzlpatna@gmail.com](mailto:trzlpatna@gmail.com)

विषय: Observations of 49<sup>th</sup> meeting of TEGS held on 25.03.2019

Ref: Implementation of Scheduling, Accounting, Metering and Settlement of Transaction in Electricity (SAMAST) in SLDC Bihar. Proposal No: 208

Sir,

The inputs submitted by BSPTCL vide letter dated 26.10.2018 were examined by TEGS in the 49<sup>th</sup> meeting. The Extracts from the MOM are as below:

The observations of TEGS is as below:

1. It is informed by the entity (BSPTCL) that ABT meters are to be excluded from the proposal submitted for PSDF funding. Subsequently, the cost is revised to Rs 11.75 Cr.
2. The BSPTCL was informed that following would be excluded from revised cost estimates:
  - (i) Rs. 1.512Cr software module which is included under Phase-I (As board approval excluded Phase-I).
  - (ii) Rs 28Lakhs as generator set is not eligible.
  - (iii) 100 computers costs Rs 55.4 Lakhs. It is to be restricted to 10 computers.
  - (iv) Mobile App(Android/iOS) costs Rs 30 Lakhs is to be removed- not eligible.

Accordingly, the project cost works out to be Rs. 7.61 Cr. The representative of BSPTCL conveyed their consent to the same. TEGS decided that, the project is generally found to be in order and may be put up for recommendation of the Appraisal Committee.

This is for your kind information.

धन्यवाद,

Yours faithfully

*(Signature)*

(R.K Bansal)

Convener Techno Economic Subgroup  
& Consultant NLDC

प्रतिलिपि:

1. CE(NPC), CEA
2. Sr. GM, NLDC-POSOCO



1222

**Bihar State Power Transmission Company Ltd., Patna**  
**A subsidiary company of Bihar State Power (Holding) Company Ltd., Patna**  
**CIN - U40102BR2012SGC018889**  
**[SAVE ENERGY FOR BENEFIT OF SELF AND NATION]**  
**Head Office, Vidyut Bhawan, Bailey Road, Patna - 800021,**

(File No. SLDC/SAMAST-09/2018\_part-1)

Letter No. 160/

Patna Dated 04/06/2020

From,

Uttam Kumar

Director (Operation), BSPTCL

To,

Deputy Manager (NLDC)  
BSPTCL (208)  
National Load Dispatch Centre-POSOCO,  
B-9, Qutub Institutional Area,  
Katwaria Sarai, New Delhi-110016

**Sub: Regarding release of PSDF grant for Implementation of SAMAST (Scheduling, Accounting, Metering and Settlement of Transaction in Electricity) in SLDC, Bihar.**

- Ref: (i) PSDF letter no. NLDC-PSDF/BSPTCL-208/2018-19/925 dated 18.10.2018  
(ii) Director (Operation), BSPCL letter no. - 222 dated 26.10.2018  
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(v) PSDF letter dated 20<sup>th</sup> March 2020 through e-mail dated 30.05.2020.

Sir,

This is to bring to your kind notice that BSPTCL has already taken up the works of implementation of SAMAST at SLDC, Bihar in line with SAMAST guidelines as directed by Hon'ble Bihar Electricity Regulatory Commission by awarding contract amounting to Rs. 22,38,73,600/- to M/s PwC in JV with M/s Infotek Services on vide NOA/W.O no. 01 dated 06.06.2019 (copy enclosed). The work is under progress by Internal Resource Fund of BSPTCL.

Since these type of Project are being funded by PSDF as per the SAMAST guidelines of Forum of Regulator (FOR). In this regard, Deputy Secretary, Ministry of Power, GOI have informed that Rs. 6.85 Cr has been sanctioned as grant from PSDF towards implementation of SAMAST in SLDC, Bihar vide letter dated 20th March, 2020 (received through e-mail dated 30.05.2020).

Therefore, it is requested that kindly consider and confirm the reimbursement of above sanctioned grant amounting to Rs. 6.85 Cr to BSPTCL. So that BSPTCL enter into tripartite agreement.

Yours faithfully,

  
(Uttam Kumar) 04/06/2020

Director (Operation), BSPTCL