

Order
on
Annual Performance Review for
FY 2023-24
and
Revised ARR for FY 2024-25
For
State Load Despatch Centre of
Uttarakhand

March 28, 2024

Uttarakhand Electricity Regulatory Commission
Vidyut Niyamak Bhawan, Near I.S.B.T., P.O. Majra
Dehradun – 248171

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Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 48 of 2023

In the Matter of:

Petition filed by State Load Despatch Centre of Uttarakhand for True up of FY 2022-23, Annual Performance Review for FY 2023-24 and Revised Aggregate Revenue Requirement for FY 2024-25.

AND

In the Matter of:

State Load Despatch Centre (SLDC)
132 kV Substation, H/Q Building, Majra,
Dehradun, Uttarakhand

...Petitioner

Coram

Shri D.P. Gairola Member (Law)-Chairman(I/c)

Shri M. L. Prasad Member (Technical)

Date of Order: March 28, 2024

Section 32(3) of the Electricity Act, 2003 (hereinafter referred to as “the Act”) allows the State Load Despatch Centre to levy and collect such fee and charges from generating companies and licensees involved in intra-State transmission as may be specified by the Appropriate Commission. To this end, it is required to file an application for determination of these charges in such manner and along with such fee as may be specified by the Appropriate Commission through Regulations.

In accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011 (hereinafter referred to as “UERC Tariff Regulations, 2011”) for the first Control Period from FY 2013-14 to FY 2015-16 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the Order dated April

10, 2014 on Aggregate Revenue Requirement for SLDC for FY 2013-14 to FY 2015-16. In accordance with the provisions of the UERC Tariff Regulations, 2011, the Commission had issued the Order dated April 11, 2015 on Aggregate Revenue Requirement for SLDC for FY 2015-16.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015 (hereinafter referred to as “UERC Tariff Regulations, 2015”) for the second Control Period from FY 2016-17 to FY 2018-19 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the MYT Order dated April 5, 2016 on Aggregate Revenue Requirement for SLDC for FY 2016-17 to FY 2018-19. In accordance with the provisions of the UERC Tariff Regulations, 2015, the Commission had carried out the Annual Performance Review for FY 2016-17, FY 2017-18 and FY 2018-19 vide its Orders dated March 29, 2017, March 21, 2018 and February 27, 2019.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018 (hereinafter referred to as “UERC Tariff Regulations, 2018”) for the third Control Period from FY 2019-20 to FY 2021-22 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. The Commission had issued the Order dated February 27, 2019 on Aggregate Revenue Requirement for SLDC for FY 2019-20 to FY 2021-22. In accordance with the provisions of the UERC Tariff Regulations, 2018, the Commission had carried out the Annual Performance Review for FY 2019-20 vide its Order dated April 18, 2020. Further, the Commission has carried out the Annual Performance Review for FY 2020-21 vide its order dated April 26, 2021. The Commission also carried out the Annual Performance Review for FY 2021-22 vide its order dated March 31, 2022.

Further, in accordance with the relevant provisions of the Act, the Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2021 (hereinafter referred to as “UERC Tariff Regulations, 2021”) for the fourth Control Period from FY 2022-23 to FY 2024-25 specifying therein terms, conditions and norms of operation for licensees, generating companies and SLDC. In compliance with the provisions of the Act and Regulation 8(1) and Regulation 10(1) of UERC Tariff Regulations, 2021, State Load Despatch Centre of Uttarakhand (hereinafter referred to as “SLDC” or “Petitioner”) filed separate Petitions for approval of its Business Plan for the fourth Control Period from FY 2022-23 to FY 2024-25 (Petition

No. 51 of 2021 hereinafter referred to as the “Business Plan Petition”) and Multi Year Tariff Petition (Petition No. 52 of 2021 hereinafter referred to as the “MYT Petition”) on December 15, 2021. The Commission had issued the Order dated March 31, 2022 on Business Plan and Aggregate Revenue Requirement for SLDC for FY 2022-23 to FY 2024-25. Further, the Commission vide Order dated March 30, 2023 had carried out the Annual Performance Review for FY 2022-23 and determined the ARR for FY 2023-24.

In compliance with the provisions of the Act and Regulation 8(1) and Regulation 10(1) of UERC Tariff Regulations, 2021, State Load Despatch Centre of Uttarakhand (hereinafter referred to as “SLDC” or “Petitioner”) (hereinafter Application (Petition No. 48 of 2023 and hereinafter referred to as “Petition”) on November 29, 2023 for approval of True-up for FY 2022-23, approval of Annual Performance Review (APR) for FY 2023-24 and Revised Aggregate Requirement (ARR)/Tariff for FY 2024-25 in compliance with the provisions of the Act and Regulation 8(1) and Regulation 10(1) of UERC Tariff Regulations, 2021.

The Petition filed by SLDC had certain infirmities/ deficiencies which were informed to SLDC vide Commission’s letter no. UERC/7/CL/Misc. No. 59 of 2023/979 dated December 18, 2023 and SLDC was directed to rectify the said infirmities in the Petition and submit certain additional information necessary for admission of the Petition. SLDC vide its Letter No. 3806/MD/PTCUL/UERC dated December 23, 2023 removed the critical deficiencies. Based on the submissions made by SLDC, the Commission vide its Order dated December 28, 2023 provisionally admitted the Petition for further processing subject to the condition that SLDC shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it. Further, SLDC vide Letter No. 111/MD/PTCUL/UERC dated January 06, 2024 removed additional deficiencies as directed in the Commission’s letter no. UERC/7/CL/Misc. No. 59 of 2023/979 dated December 18, 2023.

This Order, accordingly, relates to the Petition filed by the SLDC for approval of revised Aggregate Revenue Requirement for FY 2024-25, and is based on the original as well as all the subsequent submissions made by SLDC during the course of the proceedings.

Tariff determination being the most vital function of the Commission, it has been the practice of the Commission to elaborate in detail the procedure and to explain the underlying principles in determination of tariffs. Accordingly, in the present Order also, in line with past practices, the Commission has tried to elaborate the procedure and principles followed by it in determining the ARR of SLDC. The SLDC Charges are recoverable from the beneficiaries. It has been the endeavour of the Commission in past also, to issue Tariff Orders for SLDC concurrently with the issue of Order on retail tariffs for Uttarakhand Power Corporation Limited (UPCL), so that UPCL is able to honour the payment liability towards SLDC charges. For the sake of convenience and clarity, this Order has further been divided into following Chapters:

Chapter 1 - Background and Procedural History.

Chapter 2 - Petitioner's Submission, Commission's Analysis, Scrutiny and Conclusion on True up for FY 2022-23, Annual Performance Review for FY 2023-24 and determination of ARR for FY 2024-25.

Chapter 3 - Commission's Directives.

1. Background and Procedural History

In accordance with the provisions of the Uttar Pradesh Reorganization Act 2000 (Act 29 of 2000), enacted by the Parliament of India on August 25, 2000, the State of Uttaranchal came into existence on November 9, 2000. Section 63(4) of the above Reorganization Act allowed the Government of Uttaranchal (hereinafter referred to as “GoU” or “State Government”) to constitute a State Power Corporation at any time after the creation of the State. GoU, accordingly, established the Uttaranchal Power Corporation Limited (UPCL) under the Companies Act, 1956, on February 12, 2001 and entrusted it with the business of transmission and distribution in the State. Subsequently, from April 1, 2001, all works pertaining to the transmission, distribution and retail supply of electricity in the area of Uttaranchal were transferred from Uttar Pradesh Power Corporation Limited (UPPCL) to UPCL, in accordance with the Memorandum of Understanding dated March 13, 2001, signed between the Governments of Uttaranchal and Uttar Pradesh.

Meanwhile, the Electricity Act, 2003 was enacted by the Parliament of India on June 10, 2003, which mandated separate licenses for transmission and distribution activities. In exercise of powers conferred under sub-section 4 of Section 131 of the Act, the GoU, therefore, through transfer scheme dated May 31, 2004, first vested all the interests, rights and liabilities related to Power Transmission and Load Despatch of “Uttaranchal Power Corporation Limited” into itself and, thereafter, re-vested them into a new company, i.e. “Power Transmission Corporation of Uttaranchal Limited”, now renamed as “Power Transmission Corporation of Uttarakhand Limited” after change of name of the State. The State Government, further vide another notification dated May 31, 2004 declared Power Transmission Corporation of Uttarakhand as the State Transmission Utility (STU) responsible for undertaking, amongst others, the following main functions:

- a) To undertake transmission of electricity through intra-State transmission system.
- b) To discharge all functions of planning and co-ordination relating to intra-State transmission system.
- c) To ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines.
- d) To provide open access.

A new company in the State was, thus, created to look after the functions of intra-State Transmission and Load Despatch, on May 31, 2004. In view of re-structuring of functions of UPCL and creation of a separate company for looking after the transmission related works, the Commission amended the earlier 'Transmission and Bulk Supply License' granted to 'Uttarakhand Power Corporation Limited' and transmission license was given to PTCUL for carrying out transmission related works in the State vide Commission's Order dated June 9, 2004.

The State Load Despatch Centre of Uttarakhand has been made operational w.e.f. November 27, 2012. As per Section 32 of the Act, the State Load Despatch Centre is the apex body to ensure integrated operation of the power system in the State. The functions of State Load Despatch Centre as stipulated in the Act are as follows:

- a) be responsible for optimum scheduling and despatch of electricity within the State, in accordance with the contracts entered into within the Licensees or the Generating Companies operating in the 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.

In exercise of powers conferred to it under Section 61 of the Act, and all other powers enabling it in this behalf, the Commission notified the UERC Tariff Regulations, 2018 on September 14, 2018. These Regulations superseded the UERC Tariff Regulations, 2015.

The Commission vide its Order dated February 27, 2019 approved the Business Plan and Multi Year Tariff for SLDC for the third Control Period from FY 2019-20 to FY 2021-22. Further, the Commission had carried out the Annual Performance Review for FY 2018-19, FY 2019-20 and FY 2020-21 vide its Order dated February 27, 2019, April 18, 2020 and April 26, 2021.

The Commission vide its Order dated March 31, 2022 approved the Business Plan and Multi Year Tariff for SLDC for the fourth Control Period from FY 2022-23 to FY 2024-25. The Commission

has also Carried out the Annual Performance Review for FY 2022-23 and determined the ARR FY 2023-24 vide Order dated March 30, 2023.

As mentioned earlier also, in accordance with the provisions of the Act and Regulation 8(1) and Regulation 10(1) of the UERC Tariff Regulations, 2021, SLDC is required to file a Petition for Annual Performance Review by November 30 of every year. SLDC in compliance to the Regulations submitted the Petition for Annual Performance Review for FY 2023-24 and Revised Aggregate Revenue Requirement for FY 2024-25 on November 29, 2023.

The Petition filed by SLDC had certain infirmities/deficiencies which were informed to SLDC vide Commission's letter no. UERC/7/CL/Misc. No. 59 of 2023/979 dated December 18, 2023 and SLDC was directed to rectify the said infirmities in the Petition and submit certain additional information necessary for admission of the Petition. SLDC vide its Letter No. 3806/MD/PTCUL/UERC dated December 23, 2023 removed the critical deficiencies. Based on the submissions made by SLDC, the Commission vide its Order dated December 28, 2023 provisionally admitted the Petition for further processing subject to the condition that SLDC shall furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provide such information and clarifications to the satisfaction of the Commission within the time frame, as may be stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it. Further, SLDC vide Letter No. 111/MD/PTCUL/UERC dated January 06, 2024 removed additional deficiencies as directed in the Commission's letter no. UERC/7/CL/Misc. No. 59 of 2023/979 dated December 18, 2023.

The Commission, through its above Admittance Order dated December 28, 2023, to provide transparency to the process of tariff determination and give all stakeholders an opportunity to submit their objections/suggestions/comments on the proposals of SLDC, directed SLDC to publish the salient features of its Petition in the leading newspapers. The salient points of the proposals were published by the Petitioner in the following newspapers:

Table 1.1: Publication of Notice

S. No.	Newspaper Name	Date of Publication
1.	Times of India	December 31, 2023
2.	Hindustan Times	December 31, 2023
3.	Amar Ujala	December 31, 2023
4.	Dainik Jagran	December 31, 2023

Through above notice, the stakeholders were requested to submit their objections/suggestions /comments latest by January 31, 2024 (copy of the notice is enclosed as **Annexure 1**). The Commission received no objections/suggestions/comments in writing on the Petition filed by SLDC.

Further, for direct interaction with all the stakeholders and public at large, the Commission also held public hearings on the proposals filed by the Petitioner at the following places in the State of Uttarakhand.

Table 1.2: Schedule of Hearing

S. No.	Place	Date
1.	Almora	February 19, 2024
2.	Rudrapur	February 20, 2024
3.	Tehri-Garhwal	February 24, 2024
4.	Dehradun	February 26, 2024

The list of participants who attended the Public Hearing is enclosed at **Annexure-2**.

The Commission also sent the copies of salient features of tariff proposals to Members of the State Advisory Committee and the State Government. The salient features of the Petition submitted by SLDC were also made available on the website of the Commission, i.e. www.uerc.gov.in. The Commission also held a meeting with the Members of the Advisory Committee on March 06, 2024, wherein, detailed deliberations were held with the Members of the Advisory Committee on the various issues linked with the Petition filed by SLDC.

Meanwhile, based on the scrutiny of the Petition submitted by SLDC, the Commission pointed out certain data gaps in the Petition and sought following additional information/clarification from the Petitioner:

- Details of Tariff Formats which are not duly filled or partially filled.
- Reconciliation of figures in case of discrepancies.
- Copy of Work Order for capitalization claimed.
- Soft Copy of Balance Sheet for FY 2022-23 and FY 2023-24 H1.
- Details of Physical and Financial Progress of schemes proposed to be capitalized during FY 2024-25.

So as to have better clarity on the data filed by the Petitioner and to remove inconsistency in

the data, a Technical Validation Session (TVS) was also held with the Petitioner's officers on January 18, 2024 for further deliberations on certain issues related to the Petition filed by SLDC. Minutes of TVS were sent to the Petitioner vide Commission's letter no. UERC/7/CL/Petition No. 48 of 2023/1130 dated January 22, 2024, for its response. The Petitioner submitted the replies to issues raised in TVS vide its letter no. 366/MD/PTCUL/UERC dated January 30, 2024.

The submissions made by SLDC in the Petition as well as additional submissions have been discussed by the Commission at appropriate places in this Tariff Order along with the Commission's views on the same.

2. Petitioner's Submissions, Commission's Analysis, Scrutiny & Conclusion on True up for FY 2022-23, Annual Performance Review for FY 2023-24 and Determination of ARR for FY 2024-25

2.1 Annual Performance Review

Regulation 12(1) of the UERC Tariff Regulations, 2021 specifies that under the MYT framework, the performance of the SLDC shall be subject to Annual Performance Review.

Regulation 12(3) of the UERC Tariff Regulations, 2021 specifies as under:

"The scope of the Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following:

- a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and truing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;*
- b) Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors);*
- c) Revision of estimates for the ensuing financial year, if required, based on audited financial results for the previous financial year;*
- d) Computation of sharing of gains and losses on account of controllable factors for the previous year."*

The Commission vide its Order dated February 27, 2019 had approved the Business Plan and Multi Year Tariff (MYT) for SLDC for the third Control Period from FY 2019-20 to FY 2021-22 along with the Annual Performance Review for FY 2018-19. Further, the Commission vide its Order dated April 18, 2020 had approved the Annual Performance Review for FY 2019-20 and revised ARR for FY 2020-21. The Commission vide its order dated April 26, 2021 had approved the Annual Performance Review for FY 2020-21 and revised ARR for FY 2021-22. The Commission vide its Order dated March 31, 2022 had approved the Business Plan and Multi Year Tariff (MYT) for SLDC for the fourth control period from FY 2022-23 to FY 2024-25. Further, the Commission vide its Order dated March 30, 2023 had approved the Annual Performance Review for FY 2022-23 and determined the ARR for FY 2023-24.

SLDC has filed this Petition for True-up for FY 2022-23, Annual Performance Review for FY 2023-24 and revised ARR for FY 2024-25. SLDC and SCADA work as separate independent units within PTCUL with separate accounting heads created for recording their income and expenses. SLDC has still not been incorporated as a separate company and, hence, the accounts of SLDC are audited as part of PTCUL's accounts and no separate audited account of SLDC exists. Although, SLDC requested the Commission to True Up the expenses for SLDC for FY 2022-23 by filing a separate true up for FY 2022-23 and submitting the separate audited accounts for SLDC for FY 2022-23, but the Commission observed that the actual income and expenses of SLDC for FY 2022-23 are part of income and expenses of PTCUL and are included in PTCUL's audited accounts.

Further, the Commission observed that the Commission in its Order dated April 5, 2016 on approval of the Business Plan and MYT for the second Control Period from FY 2016-17 to FY 2018-19 directed as under:

"Hence, the Commission is of the opinion that as accounting of SLDC and SCADA is being done separately, accordingly, SLDC is directed to start preparing its annual statement of accounts separately from FY 2016-17 onwards in accordance with the requirement of the Regulations as referred above."

The Commission in its Order dated March 29, 2017 on approval of APR for FY 2016-17 and revised ARR for FY 2017-18 directed as under:

"The Commission directs SLDC that the provisions of the UERC Tariff Regulations, 2015 has to be complied strictly by SLDC regarding maintenance of its expenses related to operation of SLDC. The Commission also directs the SLDC to file the Petition seeking truing up of FY 2016-17 along with the APR of FY 2017-18 in accordance with the MYT Regulations, 2015."

The Commission vide its Tariff Order for FY 2018-19 dated March 21, 2018 directed the Petitioner to get the Transfer Scheme finalized and to submit the same to the Commission along with its Petition for Annual Performance Review for FY 2018-19.

The Commission in its Order dated February 27, 2019 on approval of MYT of FY 2019-20 to FY 2021-22 directed as under:

*"The Commission expresses its extreme displeasure in the lackadaisical approach of the Petitioner in not acting responsibly in finalizing the value of transferred assets from UPCL. **In this regard, the Commission holds that any consequential impact due to finalization of transfer scheme***

will be allowed without any carrying cost on the same as the delay is on the part of the Petitioner.

(Emphasis added)

The Commission in its Order dated April 18, 2020 on approval of ARR of FY 2020-21 directed as under:

"The Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2018 have to be complied strictly by SLDC regarding maintenance of its expenses related to operation of SLDC. The Commission also directs SLDC to file the Petition seeking truing up of FY 2019-20 along with the APR of FY 2020-21 in accordance with the MYT Regulations, 2018 failing which action may be initiated against it under the provisions of the Act."

The Commission in its Order dated April 26, 2021 on approval of ARR of FY 2021-22 directed as under:

"The Commission observed that the ring fencing of SLDC is still in process. The Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2018 has to be complied strictly by SLDC regarding maintenance of its expenses related to operation of SLDC. The Commission also directs the SLDC to file the Petition seeking truing up of FY 2020-21 along with the APR of FY 2021-22 in accordance with the MYT Regulations, 2018."

The Commission in its Order dated March 31, 2022 on approval of ARR of FY 2022-23 to FY 2024-25 directed as under:

"The Commission observed that the ring fencing of SLDC is still in process. The Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2021 has to be complied strictly by SLDC regarding maintenance of its expenses related to operation of SLDC. The Commission also directs the SLDC to file the Petition seeking truing up of FY 2021-22 along with the APR of FY 2022-23 in accordance with the MYT Regulations, 2018 failing which action may be initiated against it under the provisions of the Act. SLDC is also directed to submit quarterly status to the Commission regarding the efforts made for ring fencing of SLDC within 15 days from the end of each quarter."

The Commission in its Order dated March 30, 2023 on approval of ARR of FY 2023-24 directed as under:

"The Commission had been repeatedly directing SLDC for completion of ring fencing of SLDC and SCADA. Even after repeated directions, it has been submitted that the said process is still in progress. The

Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2021 has to be complied strictly by SLDC regarding maintenance of its expenses related to the operation of SLDC. The Commission also directs SLDC to file the Petition seeking truing up of FY 2022-23 along with the APR of FY 2023-24 in accordance with the MYT Regulations, 2021 alongwith separate Audited Accounts for SLDC, failing which action may be initiated against it under the provisions of the Act. SLDC is also directed to submit quarterly status to the Commission regarding the efforts made for ring fencing of SLDC within 15 days from the end of each quarter."

The Petitioner in the instant Petition submitted that the SLDC has still not been incorporated as a separate legal entity, however, separate audited accounts of SLDC have been prepared segregating the revenue and expenses of SLDC. PTCUL has already initiated the ring-fencing of the SLDC from PTCUL. As the first step, the separate business vertical for SLDC and SCADA has been mandated and the separate accounts have been prepared and audited accordingly for the FY 2022-23. The Petitioner submitted that the audited accounts are being submitted as part of the truing up Petition for the SLDC. As the next step forward, PTCUL has allocated the common expenses to be separately booked for PTCUL and SLDC. Further, a separate building for SLDC and SCADA has been proposed for which the award for construction work has been given to M/s Brathwaite & Co Limited and a separate employee recruitment plan has been proposed.

The Commission observes that although SLDC has submitted that they have segregated and submitted the separate audited accounts for SLDC for FY 2022-23, however, the actual income and expenses of SLDC for FY 2022-23 are still the part of PTCUL income and expenses and are included in PTCUL's audited accounts. However separate accounting heads are created for SLDC and SCADA and recorded separately and the same are being certified and audited. Accordingly, SLDC is filing the True up Petition for FY 2022-23. As the complete audited accounts for SLDC are not available separately for FY 2022-23, the Commission is unable to carry out the truing up of SLDC for FY 2022-23 separately. Accordingly, the truing up of expenses and revenue of SLDC for FY 2022-23 has been done as part of truing up of PTCUL.

The Commission had been repeatedly directing SLDC for completion of ring fencing of SLDC and SCADA. Even after repeated directions, it has been submitted that the said process is still in progress. **The Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2021 has to be complied strictly by SLDC regarding maintenance of its expenses related to the operation of SLDC. The Commission also directs SLDC to file the Petition seeking truing up of FY 2023-24 along with the APR of FY 2024-25 in accordance with the MYT Regulations,**

2021 alongwith separate Audited Accounts for SLDC, failing which action may be initiated against it under the provisions of the Act. SLDC is also directed to submit quarterly status to the Commission regarding the efforts made for ring fencing of SLDC within 15 days from the end of each quarter.

SLDC has submitted the APR for FY 2023-24 and revised ARR for FY 2024-25 in the instant Petition. The Commission in this Order has approved the revised ARR for FY 2024-25 based on the GFA approved for FY 2022-23, revised GFA for FY 2023-24 and FY 2024-25 of SLDC. The approach adopted by the Commission in approving the ARR for FY 2024-25 is elaborated in the subsequent Sections of this Order.

In accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021, the scope of annual performance review does not provide for the revision of estimates for the current year and give effect on this account in the estimates of the ensuing year. The Commission shall carry out the truing up of FY 2023-24 based on the audited accounts for FY 2023-24 and give effect to this account in the revised ARR of FY 2025-26 in accordance with Regulation 12(3) of the UERC Tariff Regulations, 2021. The Commission has computed certain expenses for FY 2023-24 based on the revised GFA for FY 2023-24 only to facilitate the computations for the ensuing year FY 2024-25.

2.2 Gross Fixed Assets

The Petitioner has considered the opening GFA for FY 2022-23 as Rs. 34.58 Crore as approved by the Commission vide Order dated March 30, 2023.

The Commission has noted the submissions of Petitioner. Accordingly, the Commission has considered the Opening GFA for FY 2022-23 same as that approved during APR of FY 2022-23 i.e. Rs. 34.58 Crore.

GFA Addition for 2022-23: The Petitioner has claimed GFA addition of Rs. 6.12 Crore during FY 2022-23 wherein capitalization of Rs. 6.07 Crore was claimed by the Petitioner towards Scheme “OPGW connectivity in PTCUL under Phase II of the ULDC Projects”, and Rs. 0.05 Crore was claimed towards Minor Items including Assets capitalised towards replacement of furniture and Fixture (Rs. 0.03 Crore), Replacement of Battery at 400 KV SS Rishikesh (Rs. 0.001 Crore) and Asset Addition - Office Equipment (Rs. 0.02 Crore). In this regard the Commission vide Letter No. UERC/7/CL/Misc. No. 59 of 2023/979 dated December 18, 2023 has asked SLDC to submit the work order for the capitalization scheme. In response, SLDC vide Letter No. 3806/MD/PTCUL/UERC dated December 23, 2023 submitted the work order for the scheme.

Further, Commission vide TVS Letter No. UERC/7/CL/Petition No. 48 of 2023/1130 dated January 22, 2024 asked SLDC to clarify the reason for claiming Capitalization of Rs. 6.07 Crore only during FY 2022-23 when the LoA for the Scheme was issued for Rs. 31.20 Crore towards "OPGW connectivity in PTCUL under Phase II of the ULDC Projects" scheme. The Commission also directed SLDC to provide the Year Wise capitalization made against the scheme. The Petitioner vide its letter no. 366/MD/PTCUL/UERC dated January 30, 2024 submitted the details of Year wise capitalization made against "OPGW connectivity in PTCUL under Phase II of the ULDC Projects" scheme as Rs. 0.54 Crore during FY 2018-19, Rs. 20.08 Crore during FY 2019-20, Rs. 0.04 Crore during FY 2020-21 and further revised the claim for capitalization during FY 2022-23 to Rs. 5.99 Crore.

The Commission has noted the submissions of Petitioner. As discussed above SLDC has failed to completely separate the accounts of SLDC and PTCUL for FY 2022-23 and has further not submitted the separate audited annual accounts for SLDC for FY 2022-23. In view of the same, the Commission has not taken up truing-up of SLDC separately and has considered the same as a part of overall true-up of PTCUL. Accordingly, the Commission has considered the Additional capitalization of Rs 5.99 Crore claimed by SLDC towards Scheme "OPGW connectivity in PTCUL under Phase II of the ULDC Projects" and has approved the same under other works for PTCUL for FY 2022-23 Truing Up. Further, with regard to the capitalization of minor assets of Rs. 0.05 Crore towards Furniture & Fixtures, and Office Equipment, the Commission in the Truing Up of FY 2022-23 for PTCUL has held that these expenses are towards minor assets and are to be considered as part of Operations & Maintenance (O&M) expenses. Hence, the same was not allowed as capitalization during FY 2022-23 and added to actual O&M expenses for FY 2022-23 in the Truing Up exercise of FY 2022-23 for PTCUL.

Accordingly, the Commission approves NIL capitalization for SLDC during FY 2022-23 and accordingly arrived at the closing GFA for FY 2022-23 as Rs. 34.58 Crore.

GFA Addition for 2023-24: As detailed in the previous para the Commission has not consider the capitalization of Rs. 5.99 Crore claimed by SLDC towards "OPGW connectivity in PTCUL under Phase II of the ULDC Projects" and capitalization of minor assets of Rs. 0.05 Crore towards Furniture & Fixtures, and Office Equipment since truing up of SLDC was not taken up by the Commission during FY 2022-23. However, since the said capitalization is a part of the gross block of SLDC, accordingly the Commission has considered the opening gross block for FY 2023-24 as Rs. 40.57 Crore which includes the capitalization of Rs. 5.99 Crore pertaining to scheme "OPGW connectivity in PTCUL under Phase II of the ULDC Projects". The Commission in the Tariff Order dated March 30, 2023 had approved the GFA addition of Rs. 2.08 Crore for FY 2023-24. As against the same, the

Petitioner has claimed the GFA addition of Rs. 0.33 Crore during FY 2023-24. In this regard the Commission vide Letter No. dated December 18, 2023 has asked SLDC to clarify the reason for claiming GFA addition of Rs. 0.33 Crore during FY 2023-24 as against the approved GFA addition of Rs. 2.08 Crore. In response, SLDC vide Letter dated January 06, 2024 submitted that the scope of work and technical specifications of the work for “Providing & installation of Data vis Platform system with latest technology software along with controller and accessories for SLDC room at PTCUL and Supply of 2x2 configuration (4 cubes) of 70” 4 K resolution with DLP based Rear projection video wall” scheme was finalised based on the budgetary offer for the detailed scope formulated by SLDC. Further, the Petitioner submitted that the Notice Inviting Tender (NIT) for the scheme has been floated with estimated value of Rs. 2.08 Crore, and the scheme is yet to be executed.

The Petitioner further submitted that the GFA addition of Rs 0.33 Crore claimed for the FY 2023-24 pertains to Batteries (Rs. 16.99 Lakhs), Air Condition System (Rs 8.84 Lakh), Furniture (Rs. 6.17 Lakh), Computers (Rs. 1.59 Lakh) pertaining to SCADA and SLDC offices and that the expenses are part of non-DPR capex schemes.

Taking into consideration the submissions of the Petitioner, the Commission has considered the GFA addition for FY 2023-24 as Rs. 0.33 Crore and accordingly arrived at the closing GFA for FY 2023-24 as Rs. 40.90 Crore.

GFA Addition for 2024-25: The Commission has considered the opening GFA for FY 2024-25 as Rs. 40.90 Crore. The Commission in its Order dated March 31, 2022 on approval of the Business Plan and MYT for fourth Control Period from FY 2022-23 to FY 2024-25 had approved the GFA addition of Rs. 27.15 Crore during FY 2024-25 against which the Petitioner has claimed Rs. 22.87 Crore for FY 2024-25 in the Petition. With regard to the claim of the Petitioner, the Commission vide Letter dated December 18, 2023 has asked SLDC to provide details of physical and financial progress for schemes proposed to be capitalized during FY 2024-25. In response, SLDC vide Letter dated January 06, 2024 submitted NIL progress for all the schemes projected to be capitalized during FY 2024-25. Based on the response of the Petitioner, the Commission during the Technical Validation Session asked SLDC whether any of the schemes projected are expected to be implemented during FY 2024-25. SLDC submitted that it is unlikely to that schemes would be implemented during FY 2024-25. SLDC was asked to revisit and reassess the projections made for FY 2024-25 and submit the details of schemes which can be actually capitalized during FY 2024-25 along with the Implementation Schedule in terms of PERT Chart. Accordingly, SLDC was also asked to revise their Additional Capitalization claim for FY 2024-25. SLDC agreed to provide the same. In response, SLDC submitted

that it is unlikely that schemes would be implemented before FY 2024-25. Further, SLDC submitted that the Up-gradation of SCADA-EMS System under NR ULDC Phase-III is being implemented by PGCIL for all Northern Region constituents.

Taking into consideration the submissions of the Petitioner, the Commission believes that it is highly unlikely that any of the schemes proposed to be capitalized during FY 2024-25 would be implemented during FY 2024-25. Accordingly, the Commission has considered the NIL GFA addition for FY 2024-25 and accordingly arrived at the closing GFA of Rs. 40.90 Crore for FY 2024-25. The actual capitalisation during FY 2024-25 shall be considered by the Commission at the time of truing up subject to prudence check.

The Table below shows the details of GFA as submitted by the Petitioner and approved by the Commission:

Table 2.1: Gross Fixed Assets (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Proposed	Approved	Proposed	Approved	Proposed	Approved
Opening GFA	34.58	34.58	40.70	40.57	41.02	40.90
Addition	6.12	0.00	0.33	0.33	22.87	0.00
Deduction and adjustment	0.01	0.00	0.00	0.00	0.00	0.00
Closing GFA	40.70	34.58	41.02	40.90	63.89	40.90

2.3 Debt-Equity ratio

Regulation 24 of UERC Tariff Regulations, 2021 specifies as under:

“(1) For a project declared under commercial operation on or after 1.4.2022, debt-equity ratio shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as normative loan. Where actual equity employed is less than 30%, the actual equity would be used for determination of Return on Equity in tariff computations.”

The Petitioner has proposed the Debt-Equity ratio of 70:30 for the proposed capitalization in FY 2023-24 and FY 2024-25.

The Commission in its Order dated March 31, 2022 on approval of Business Plan for the fourth Control Period from FY 2022-23 to FY 2024-25 had approved the Debt-Equity ratio as 70:30. The capitalisation for FY 2023-24 & FY 2024-25 is considered to be funded with Debt-Equity ratio of 70:30.

The Commission observed that, the Petitioner has not projected any utilization of LDCD Funds in the Petition towards the capitalization claimed for FY 2024-25 in the Petition and the Tariff computations submitted by the Petitioner.

Taking into consideration the submissions of the Petitioner, the Commission has considered financing at the normative Debt:Equity ratio for FY 2024-25. The Table below shows the Means of Finance approved by the Commission:

Table 2.2: Means of Finance (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	Claimed by SLDC	Approved	Claimed by SLDC	Approved
GFA Addition	0.33	0.33	22.87	-
Debt (%)	70.00%	70.00%	70%	-
Equity (%)	30.00%	30.00%	30%	-
Debt	0.23	0.23	16.01	-
Equity	0.10	0.10	6.86	-

2.4 Annual SLDC Charges

Regulation 99 of the UERC Tariff Regulations, 2021 specifies as follows:

“99. Annual SLDC Charges

The annual charges to be recovered by the SLDC shall include the component of Return on Equity and also the following expenses:

- (a) O&M expenses;*
- (b) Return on Equity;*
- (c) Depreciation;*
- (d) Lease Charges;*
- (e) Interest and Finance charges on Loan Capital;*
- (f) Income Tax, if any;*
- (g) Interest on working capital, if any;*
- (h) Any other expenses incidental to discharging the functions of SLDC as deemed appropriate by the Commission;”*

The Commission in this Order has approved the SLDC Charges for FY 2024-25 based on the GFA approved for FY 2022-23, FY 2023-24 and FY 2024-25.

2.4.1 Operation and Maintenance (O&M) expenses

The Petitioner submitted that O&M expenses have been projected based on the methodology specified in the UERC Tariff Regulations, 2021.

Regarding the Operation and Maintenance expenses, Regulation 100 of the UERC Tariff Regulations, 2021 specifies as follows:

“100. Operation and Maintenance Expenses

(1) The O&M expenses for the first year of the Control Period will be approved by the Commission taking into account actual O&M expenses for last five years till Base Year subject to prudence check and any other factors considered appropriate by the Commission.

(2) The O&M expenses for the n th year and also for the year immediately preceding the Control Period i.e., FY 2021-22 shall be approved based on the formula given below:-

$$O\&M_n = R\&M_n + EMP_n + A\&G_n$$

Where –

- $O\&M_n$ – Operation and Maintenance expense for the n th year;
- EMP_n – Employee Costs for the n th year;
- $R\&M_n$ – Repair and Maintenance Costs for the n th year;
- $A\&G_n$ – Administrative and General Costs for the n th year;

(3) The above components shall be computed in the manner specified below:

$$EMP_n = (EMP_{n-1}) \times (1+G_n) \times (CPI_{inflation})$$

$$R\&M_n = K \times (GFA_{n-1}) \times (WPI_{inflation}) \text{ and}$$

$$A\&G_n = (A\&G_{n-1}) \times (WPI_{inflation}) + Provision$$

Where –

- EMP_{n-1} – Employee Costs for the $(n-1)$ th year;
- $A\&G_{n-1}$ – Administrative and General Costs for the $(n-1)$ th year;
- Provision: Cost for initiatives or other one-time expenses as proposed by the SLDC and validated by the Commission.
- “K” is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on SLDC's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;
- $CPI_{inflation}$ – is the average increase in the Consumer Price Index (CPI) for immediately preceding three years;
- $WPI_{inflation}$ – is the average increase in the Wholesale Price Index (CPI) for immediately

preceding three years;

- *GFA_{n-1} - Gross Fixed Asset for the n-1th year;*
- *G_n is a growth factor for the nth year. Value of G_n shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on Transmission Licensee's filings, benchmarking and any other factor that the Commission feels appropriate:*

Provided that repair and maintenance expenses determined shall be utilised towards repair and maintenance works only."

The O&M expenses include Employee expenses, R&M expenses and A&G expenses. The Commission in its Order dated March 31, 2022 on approval of APR for FY 2021-22 and MYT for fourth control period from FY 2022-23 to FY 2024-25 had approved the O&M expenses for the fourth Control Period based on the O&M expenses approved for SLDC and SCADA units working within PTCUL in previous year in accordance with Regulation 100 of the UERC Tariff Regulations, 2021.

The submissions of the Petitioner and the approach adopted by the Commission for approving the various components of O&M expenses for FY 2024-25 are discussed below.

2.4.1.1 Employee expenses

The Commission had approved the employee expenses of Rs. 5.73 Crore for FY 2023-24 and Rs. 9.69 Crore for FY 2024-25 in its Tariff Order dated March 30, 2023 and MYT Order dated March 31, 2022 respectively.

The Petitioner has submitted that the employee expenses for FY 2023-24 and FY 2024-25 have been proposed as per the UERC Tariff Regulations, 2021 considering opening normative employee expenses for FY 2022-23 as approved vide MYT Order dated March 31, 2022 as opening employee expenses for FY 2022-23 and closing employee expenses for FY 2022-23 as opening employee expenses for FY 2023-24. The Petitioner has escalated EMP_{n-1} for FY 2023-24 with average CPI inflation for last three years (FY 2020-21 to FY 2022-23) and multiplied the same by Growth factor proposed for FY 2023-24 based on actual addition and retirement of employees during FY 2023-24 to arrive at the revised estimates of employee expenses. For the calculation of employee expenses of FY 2024-25, the Petitioner has escalated the opening employee expenses projected for FY 2023-24 with average CPI inflation for last 3 years (FY 2020-21 to FY 2022-23) and multiplied the same by Growth Factor proposed for FY 2024-25 to arrive at the revised estimates of employee expenses. Accordingly, the Petitioner has proposed the employee expenses of Rs. 5.58 Crore and Rs. 7.22 Crore for FY 2023-

24 and FY 2024-25 respectively.

The Commission has computed the employee expenses in accordance with the UERC Tariff Regulations, 2021. In order to work out the Employee Growth Rate for FY 2023-24, the Commission has considered the opening strength of employees for SLDC as 45 as approved vide Order dated March 30, 2023. Further, as approved vide Order dated March 30, 2023 the Commission has considered the recruitment of 2 Employees during FY 2022-23 resulting in Closing Employee Strength for FY 2022-23 as 47 Employees. The Commission observed that SLDC in the Tariff Petition has submitted that there has been no recruitment of employees and retirement of 2 employees during FY 2023-24 H1. The Commission further observed that that no recruitment of Employees was proposed by SLDC during FY 2023-24 H2. Accordingly, the Commission has considered the opening strength of Employees for FY 2023-24 as 47 employees and considering the recruitment and retirement of employees proposed by SLDC, Growth Factor as 0% for FY 2023-24, the Commission approves the closing strength for FY 2023-24 as 45.

The Commission further observed that SLDC has proposed the addition of 10 employees during FY 2024-25. In this regard, the Commission vide TVS Letter dated January 22, 2024 has asked SLDC to provide present status about the recruitment of 10 employees proposed for FY 2024-25. In response, SLDC vide Letter dated January 30, 2024 submitted that PTCUL is persistently requesting GoU for unfreezing 98 posts amongst which the manpower will be deployed as per work requirement of SLDC and that the required manpower would be deployed in SLDC from the proposed recruitment of PTCUL.

The Commission has noted the submission of the Petitioner. The Commission has considered the approved closing strength of 45 employees for FY 2023-24 as the opening strength for FY 2024-25. Further, based on the submission of the Petitioner, and views expressed by the Commission with respect to unfreezing 98 posts during FY 2024-25 in ARR Determination exercise of PTCUL for FY 2024-25, the Commission at this stage has not considered the employee addition of 10 posts as GoU is yet to unfreeze 98 posts of PTCUL. Further, as SLDC has mentioned that the manpower for FY 2024-25 for SLDC will be deployed as per work requirement of SLDC and from the proposed recruitment of PTCUL, the Commission is of the view that once GoU unfreezes the posts, it will take substantial time for recruitment. Accordingly, the Commission will consider the actual employee addition during FY 2024-25 at the time of truing up. Accordingly, the Commission has approved the closing strength for FY 2024-25 of 45 employees.

Accordingly, the Commission has approved the Gn factors of 0% for FY 2023-24 and FY 2024-25.

25 as computed below:

Table 2.3: G_n Computations for FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24		FY 2024-25	
	Claimed	Allowable	Claimed	Allowable
Opening number of employees	46	47	44	45
Recruitment during the year	0	0	10	0
Retirement during the year	2	2	0	0
Closing number of employees	44	45	54	45
G_n	0.00%	0.00%	22.73%	0.00%

However, if the actual addition to number of employees is lower or higher, as the case may be, than the number of employee addition considered in this Order, the impact of the same shall be adjusted while carrying out the truing up and will not be considered as reduction or increase in Employee expenses on account of controllable factors.

In accordance with UERC Tariff Regulations, 2021, CPI inflation, which is the average increase in the Consumer Price Index (CPI) for the preceding three years is to be considered. The Commission has calculated the annual growth in values of CPI (overall) based on the average of preceding three full years upto FY 2022-23 as 5.40%.

Accordingly, the normative employee expenses approved by the Commission for FY 2024-25 are as shown in the Table below:

Table 2.4: Employee expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed by SLDC	Approved
EMP _{n-1}	5.58	5.71
G _n	22.73%	0.00%
CPI inflation	5.40%	5.40%
EMP_n=(EMP_{n-1}) x (1+G_n)x(1+CPIinflation)	7.22	6.02

The variation in the Employee Expenses as claimed and as approved by the Commission is on account of consideration of value of EMP_{n-1} by the Petitioner for FY 2023-24 as the approved value from MYT Order dated March 31, 2022 instead of consideration of value of EMP_{n-1} for FY 2023-24 as the approved value from Tariff Order dated March 30, 2023 and variation in Employee Growth Rate approved by the Commission for FY 2024-25 vis-à-vis as claimed by the Petitioner.

2.4.1.2 Repairs and Maintenance (R&M) expenses

The Commission has approved the R&M expenses of Rs. 3.03 Crore for FY 2023-24 and Rs. 8.33 Crore for FY 2023-24 in its Tariff Order dated March 30, 2023 and MYT Order dated March 31, 2022 respectively. The Petitioner has proposed the R&M expenses for FY 2023-24 as Rs. 2.65 Crore and for FY 2024-25 as Rs. 3.48 Crore. The Petitioner submitted that R&M expenses have been

computed as per UERC Tariff Regulations, 2021.

The Petitioner submitted that it had awarded an Annual Maintenance Contract (AMC) to the original contractor of the project for the up-keep and maintenance of the SLDC assets. The Petitioner further submitted that it has awarded other AMCs for successful maintenance of the assets.

The Commission has revised the R&M expenses for FY 2022-23 and FY 2023-24 from that approved in the MYT Order considering the following:

- The revised opening GFA has been considered for determining the R&M expenses.
- K factor has been considered as 8.33% which is same as approved in the MYT Order dated March 31, 2022.
- The WPI inflation has been revised to average increase in WPI inflation for the preceding 3 years to 7.90%.

The Petitioner in the instant Petition submitted that a total of 4 AMCs has been awarded for maintenance of various assets. Detail of the same is as under:

Table 2.5: Details of various AMC's (in Rs. Crore)

S. No.	Name of Work/ Details of Asset	Original Cost of the Asset	Amount of AMC in FY 2023-24 (Estimated)
1.	AMC of SCADA system under SCADA/EMS Project by M/s GE T&D India Ltd. (Formerly M/s Alstom) on single quotation basis	13.791	0.081
2.	AMC of PUNCOM make PLCC	0.414	0.049
3.	AMC of OPGW installed under various ULDC project of Norther Region	-	0.040
4.	AMC (with parts) of AC System in Control Room and Server Room at SLDC Dehradun & AMC of AC system of 08 nos. 2 Ton Split AC installed at UPS Battery Room of SCADA and 02 Nos. 1.5 Ton Split AC installed at Video Conferencing Room	0.049	0.012
	Total	14.254	0.274

The assets under AMCs have been excluded from the GFA by the Petitioner for the purpose of projections of the R&M Expenses. Accordingly, to calculate 'GFAn-1', the value of GFA under AMC for FY 2023-24 and FY 2024-25 has been subtracted from the opening GFA of the respective year.

The Commission in its MYT Order for SLDC for the fourth Control Period from FY 2022-23 to FY 2023-24, for determining the normative R&M expenses, had approved the K factor of 8.33% considering the actual R&M expenses which already included the AMC charges and actual GFA base for SLDC for the past years. The Commission observed that the Petitioner is again claiming the

normative R&M expenses considering the GFA base excluding the assets for which AMC's are awarded and is claiming the AMC fees in addition to the normative R&M expenses. The Commission finds this approach of the Petitioner to be incorrect as R&M expenses for entire GFA allowed needs to be computed as per Regulations. Hence, the Commission in this Order has considered the entire approved GFA base for determining the normative R&M expenses in accordance with the Regulations. The Commission has considered the WPI inflation of 7.90% which is the average increase in the Wholesale Price Index (WPI) for FY 2020-21 to FY 2022-23.

Accordingly, the R&M expenses approved by the Commission for FY 2024-25, is shown in the Table below:

Table 2.6: R&M expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed by PTCUL	Approved
K	8.33%	8.33%
GFA n-1	26.77	40.90
WPI inflation	7.90%	7.90%
R&Mn = K x (GFA n-1) x (1+WPI inflation)	2.41	3.68
AMC Fee	1.07	0.00
Total R&M Expenses	3.48	3.68

The variation in R&M expenses as approved by the Commission vis-à-vis as claimed by the Petitioner is on account on variation in the Opening GFA of FY 2024-25 for the calculation of R&M expenses for FY 2024-25.

2.4.1.3 Administrative and General (A&G) expenses

The Petitioner submitted that the A&G expenses consists of rent, rates and taxes, travel and conveyance expenses, consultancy and legal fees, insurance and other administration expenses. The Petitioner, in its Petition, has proposed the A&G expenses for FY 2023-24 as Rs. 1.78 Crore and for FY 2024-25 as Rs. 2.40 Crore.

The Petitioner submitted that the A&G expenses for FY 2023-24 have been computed in accordance with UERC Tariff Regulations, 2021 considering the WPI escalation of 7.90%.

The Commission has revised the A&G expenses for FY 2023-24 and FY 2024-25 from that approved in the MYT Order considering the following:

- The base year A&G expenses have been considered for FY 2022-23 as per the Order dated March 30, 2023 (i.e. Rs. 0.73 Crore) and the same has been escalated with WPI Inflation of 5.32% to arrive at the opening A&G Expenses for FY 2023-24.

- The WPI inflation has been revised to average increase in WPI inflation for the preceding 3 years to 7.90%.
- The opening A&G Expenses for FY 2023-24 has been escalated with revised WPI Inflation of 7.90% to work out the A&G expenses for FY 2023-24 and consecutively for FY 2024-25.

Accordingly, the A&G expenses approved by the Commission for FY 2023-24 are as shown in the Table below:

Table 2.7: A&G expenses approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	Claimed by PTCUL	Approved
A&Gn-1	1.78	0.83
WPI inflation	7.90%	7.90%
Provision	0.48	0.00
A&Gn=A&Gn-1 x (1+WPI inflation) + Provision	2.40	0.89

2.4.1.4 O&M expenses

The Table below shows the proposed and approved O&M expenses for FY 2023-24:

Table 2.8: O&M expenses for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Claimed	Approved
Employee expenses	9.69	7.22	6.02
R&M expenses	8.33	3.48	3.68
A&G expenses	0.78	2.40	0.89
Total O&M expenses	18.80	13.09	10.58

2.4.2 Return on Equity

The Petitioner has considered the opening Equity for FY 2024-25 as Rs. 12.56 Crore. The Petitioner has considered the equity addition for FY 2023-24 and FY 2024-25 equivalent to 30% of the proposed capitalization for the respective year. The Petitioner has proposed the Return on Equity at the rate of 15.50% on the opening equity for the year. Accordingly, the Petitioner has proposed the Return on Equity of Rs. 1.94 Crore and Rs. 2.48 Crore for FY 2023-24 and FY 2024-25 respectively.

Regarding the Return on Equity, Regulation 26 of the UERC Tariff Regulations, 2021 specifies as follows:

“26. Return on Equity

- (1) Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on account of allowed equity capital for the assets put to use at the commencement of each financial year.

(2) Return on equity shall be computed on at the base rate of 15.50% for thermal generating stations, transmission licensee, SLDC ..."

The Petitioner submitted that the assets under SLDC and SCADA divisions are funded through 30% equity. Further, the Petitioner has claimed RoE on the opening equity for FY 2024-25.

In order to approve the Return on Equity, the Commission has considered the opening Equity for FY 2023-24 as Rs. 11.82 Crore which includes the Closing Equity of Rs. 10.03 Crore for FY 2022-23 plus the Normative Equity of Rs. 1.80 Crore corresponding to Gross Block Value addition of Rs. 5.99 Crore in Opening Gross Block of FY 2023-24 as detailed under Section 2.2 of this Order. Further, as discussed above, the Commission has considered the debt-equity ratio of 70:30 and has, accordingly, considered the equity addition to the extent of 30% of the total GFA addition for FY 2023-24 and 2024-25. Accordingly, Considering the closing Equity for FY 2023-24 at Rs. 11.92 as the opening Equity for FY 2024-25, the Return on Equity has been worked out by the Commission in accordance with the MYT Regulations, 2021 for FY 2024-25 and is as shown in the Table below:

Table 2.9: Return on Equity for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Claimed	Approved
Opening Equity	23.25	12.56	11.92
Addition	5.13	6.86	0.00
Closing Equity	28.38	19.42	11.92
Rate of Return on Equity	15.50%	15.50%	15.50%
Return on Equity	3.60	2.48	1.85

2.4.3 Depreciation

The Petitioner submitted that the asset class wise depreciation has been computed considering the proposed GFA for FY 2023-24 and FY 2024-25 and the rates of depreciation specified in the UERC Tariff Regulations, 2021. Accordingly, the Petitioner has proposed the depreciation of Rs. 2.59 Crore and Rs. 3.33 Crore for FY 2023-24 and FY 2024-25 respectively.

Regulation 28 of the UERC Tariff Regulations, 2021 specifies as follows:

"28. Depreciation

(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

Provided that depreciation shall not be allowed on assets funded through Consumer Contribution and Capital Subsidies/Grants.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

...

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix - II to these Regulations.

..."

Further, Regulation 98(5) of the UERC Tariff Regulations, 2021 specifies as follows:

"Any asset created by the SLDC out of the money deposited into the LDCD Fund shall not be entitled for return on equity, interest on loan and depreciation on same principles as in case of grant. SLDC shall submit details of such assets in the CAPEX plan."

The Commission has computed the depreciation by considering the depreciation rates specified in the UERC Tariff Regulations, 2021. The Commission has computed the depreciation for full year on opening GFA and asset class wise rates of depreciation specified in UERC Tariff Regulations, 2021. The depreciation approved by the Commission is as shown in the Table below:

Table 2.10: Depreciation for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Claimed	Approved
Depreciation	6.35	3.33	2.60

The variation in depreciation is on account of variation in GFA addition considered by SLDC during FY 2023-24 and FY 2024-25 as elaborated under Section 2.2 of this Order.

2.4.4 Interest charges

The Petitioner has considered the loan addition during FY 2023-24 and FY 2024-25 equivalent to 70% of the proposed capitalization for the respective year. The Petitioner has considered the normative repayment for each year equal to the depreciation for the respective year. The Petitioner has proposed the interest on loan by applying the interest rate of 9.65% which is the actual weighted average rate of interest for FY 2022-23 of PTCUL. Accordingly, the Petitioner has proposed the interest on loan of Rs. 0.98 Crore and Rs. 1.48 Crore for FY 2023-24 and FY 2024-25 respectively.

Regulation 27 of the UERC Tariff Regulations, 2021 specifies as follows:

"27. Interest and finance charges on loan capital and on Security Deposit

(1) The loans arrived at in the manner indicated in Regulation 24 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2022 shall be worked out by deducting the cumulative

repayment as admitted by the Commission up to 31.3.2022 from the gross normative loan.

(3) The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year ...

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of previous year after providing appropriate accounting adjustment for interest capitalised:

...

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

..."

The Commission has worked out the interest charges considering the approved means of finance. The Commission has considered the opening Loan for FY 2023-24 as Rs. 10.12 Crore which includes the Closing Loan of Rs. 5.92 Crore for FY 2022-23 plus the Normative loan of Rs. 4.19 Crore corresponding to Gross Block Value addition of Rs. 5.99 Crore in Opening Gross Block of FY 2023-24 as detailed under Section 2.2 of this Order. Further, the Commission has considered the debt-equity ratio of 70:30 and has, accordingly, considered the Loan addition to the extent of 70% of the total GFA addition for FY 2023-24 and 2024-25 as discussed under Section 2.2 of this Order. The Commission has considered the interest rate of 9.50% which is the weighted average rate of interest for FY 2022-23 based on the interest expenses and long-term borrowing details as per Annual Accounts for FY 2022-23. The Commission has considered the normative repayment equal to the depreciation in accordance with the UERC Tariff Regulations, 2021. The interest charges approved by the Commission for FY 2024-25 are as shown in the following Table:

Table 2.11: Interest charges for FY 2024-25 (Rs. Crore)

Particulars	MYT Order	Claimed	Approved
Opening Loan	29.82	8.98	7.76
Addition	11.96	16.01	0.00
Repayment	6.35	3.33	2.60
Closing Loan	35.43	21.66	5.17
Average Loan	32.63	15.32	6.46
Interest rate	10.94%	9.65%	9.50%
Interest	3.57	1.48	0.61

2.4.5 Interest on Working Capital

The Petitioner submitted that it had estimated the Interest on Working Capital amounting to Rs. 0.80 Crore for FY 2024-25 in accordance with the provisions of UERC Tariff Regulations, 2021.

The Commission has worked out the Interest on Working Capital in accordance with the

UERC Tariff Regulations, 2021 and has approved an amount of Rs. 0.58 Crore. Details of the same are as follows:

2.4.5.1 One Month O&M Expenses

The annual O&M expenses approved by the Commission are Rs. 10.58 Crore for FY 2024-25. Based on the approved O&M expenses, one month's O&M expenses works out to Rs. 0.88 Crore for FY 2024-25.

2.4.5.2 Maintenance Spares

The Commission has considered the maintenance spares as 15% of O&M expenses in accordance with UERC Tariff Regulations, 2021 which works out to Rs. 1.59 Crore for FY 2024-25.

2.4.5.3 Receivables

The Commission has approved the receivables for two months based on the approved SLDC charges of Rs. 16.23 Crore for FY 2024-25, which works out to Rs. 2.70 Crore for FY 2024-25.

Based on the above, the total working capital requirement of the Petitioner for FY 2024-25 works out to Rs. 5.17 Crore. The Commission has considered the rate of interest on working capital as 11.30% i.e. the prevailing weighted average of 'one-year marginal Cost of funds based lending rate (MCLR)' as declared by the State Bank of India from time to time for the financial year in which the application for determination of tariff is made, i.e. 7.80% plus 350 basis points and accordingly, the interest on working capital works out to Rs. 0.58 Crore for FY 2024-25.

The Interest on Working Capital approved by the Commission is as shown in the Table below:

Table 2.12: Interest on Working Capital for FY 2024-25 (Rs. Crore)			
Particulars	MYT Order	Claimed	Approved
O&M expenses for one month	1.57	1.09	0.88
Maintenance spares	2.82	1.96	1.59
Two months receivables	5.56	3.63	2.70
Working Capital	9.95	6.69	5.17
Rate of Interest on Working Capital	10.50%	12.03%	11.30%
Interest on Working Capital	1.04	0.80	0.58

2.4.6 Non-Tariff Income

The Petitioner has not proposed any non-tariff income. The Commission has also not considered any non-tariff income in this Order. The actual non-tariff income shall be considered at the time of true up for the respective year of the third Control Period.

2.4.7 SLDC Charges

Based on the above, the SLDC Charges approved by the Commission for FY 2024-25 is as shown in the Table below:

Table 2.13: SLDC Charges for FY 2024-25 (Rs. Crore)

S. No.	Particulars	MYT Order	Revised Proposed	Approved
1.	O&M expenses	18.80	13.09	10.58
2.	Return on Equity	3.60	2.48	1.85
3.	Depreciation	6.35	3.33	2.60
4.	Interest and Finance Charges	3.57	1.48	0.61
5.	Interest on Working Capital	1.04	0.80	0.58
6.	Less: Non-Tariff Income	-	-	-
7.	Add: True Up of Previous Year	-	0.61	-
	ARR	33.36	21.79	16.23

2.4.8 LDC Development Fund

Regulation 98 of UERC Tariff Regulations, 2021 specifies as under:

“

- (1) The SLDC shall create and maintain a separate fund called 'Load Despatch Centre Development Fund' ("LDCD Fund").
- (2) All the other income of SLDC like short term open access charges, registration charges, scheduling and operating charges, etc. shall be deposited into LDCD Fund.
- (3) The SLDC shall be entitled to utilise the money available in the LDCD Fund for creation of new assets, meeting stipulated equity portion in asset creation, margin money for raising loan from the financial institutions and funding of R&D projects.
- (4) The LDCD Fund shall not be utilized for revenue expenditure except to meet the short fall, if any, in the annual charges allowed by the Commission or to meet the contingency expenses which were not foreseen at the time of making the application for fees and charges and are considered necessary for the efficient power system operation. However, such draws from the said fund shall be recouped from the expenditure allowed by the Commission under the respective heads at the time of truing up.
- (5) Any asset created by the SLDC out of the money deposited into the LDCD Fund shall not be entitled for return on equity, interest on loan and depreciation on same principles as in case of grant. SLDC shall submit details of such assets in the CAPEX plan.
- (6) SLDC shall submit the amount accumulated in LDC development fund along with the break-up of sources from where the fund is received. The Commission shall review the LDC

development fund every year and issue directions to SLDC for effective utilization of the funds, if required."

The Petitioner has submitted that as per Regulation 98 (2) of MYT Regulations 2021, the other income of SLDC like short term open access charges, registration charges, scheduling and operating charges, etc. shall be deposited into LDCD Fund. Accordingly, Rs. 0.71 Crore related to income from open access which includes operating charges and open access charges considered for FY 2023-24 has been added in the LDCD fund of FY 2024-25 on provisional basis.

The Commission observes that the Petitioner under Format Form 12 of the Tariff Formats has filled the details with regard to utilization plan for LDCD fund as shown in the Table below:

Table 2.14: Position of LDCD Fund submitted by SLDC (Rs. Crore)

S. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
a	Opening LDCD Fund	10.48	11.01	11.72
	Add:			
b	Additions in LDCD Fund on account of:			
(i)	Short Term Open Access	0.55	0.71	0.71
(ii)	Registration Fees	-	-	-
c	Total LDCD Fund	11.03	11.72	12.43
d	Less:			
d(i)	Utilisation for Capital Expenses	0.02	-	-
d(ii)	Utilisation for Revenue Expenses	-	-	-
e	Net LDCD Fund as on 31st March of the Year	11.01	11.72	12.43

The Commission observes that the opening LDCD balance claimed by the Petitioner for FY 2022-23 is in line with the closing balance of FY 2021-22 as approved by the Commission vide its Tariff Order dated March 30, 2023. Accordingly, the Commission has considered the Opening LDCD Fund for FY 2022-23 as Rs. 10.48 Crore as approved in Tariff Order dated March 30, 2023. It is observed that the Petitioner has shown the utilization of LDCD Fund to the tune of Rs. 0.02 Crore during FY 2022-23 towards the purchase of minor Office Items i.e. 1.5 Ton AC, Stabiliser, and related equipment with installation charges. As decided by the Commission under Section 2.2 of this Order, the capitalization of minor assets towards Furniture & Fixtures, and Office Equipment has been considered as part of Operations & Maintenance (O&M) expenses in the Truing Up exercise of FY 2022-23 for PTCUL. Hence, the same was not allowed as capitalization during FY 2022-23 and added to actual O&M expenses for FY 2022-23 in the Truing Up exercise of FY 2022-23 for PTCUL. Accordingly, Nil capitalization has been considered towards Minor Assets.

Based on the observations made in the preceding para the Commission has not approved the utilization of Capital Expenditure from LDCD fund for FY 2022-23. Accordingly, the LDCD fund approved by the Commission is as shown in the Table below:

Table 2.15: Position of LDCD Fund as considered by the Commission (Rs. Crore)

S. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
1.	Opening LDCD Fund	10.48	11.02	11.74
2.	Additions during the year	0.55	0.71	0.71
3.	Total LDCD Fund	11.02	11.74	12.45
4.	Less: Utilization for capital expenditure	0.00	0.00	0.00
5.	Closing LDCD Fund	11.02	11.74	12.45

Further, as per Regulation 98(3) of UERC Tariff Regulations, 2021, the SLDC shall be entitled to utilize the money available in the LDCD Fund to meet the stipulated equity portion and margin money for raising loan from financial institutions for creation of new assets and funding of R&D projects and such LDC fund will be treated as grant and shall be accounted for accordingly. **In this regard, the Commission directs the Petitioner to ensure timely submission of the completed cost along with the scheduled CoD, actual CoD and actual IDC incurred on the projects developed through LDC Development fund within 30 days of CoD of the project/works.**

2.4.9 Operating Charges

The Commission vide UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 and their amendment thereof, has specified the Operating Charges in respect of short-term open access customers. Regulation 21 of the UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 specifies the Operating Charges for the Short-term Open Access customer which is reproduced hereunder:

“21. SLDC and System Operation Charges:

(1) Transactions involving inter-State transmission system

...

(b) Short-term open access

Regional Load Despatch Centre and State load despatch centre system operation charges as specified by the Central Commission.

(2) Transactions not involving inter-State transmission system

...

(b) Short-term open access

System Operation charge per day or for part of the day shall be payable by a short-term open access customer for each transaction to SLDC as determined by the Commission from time to time.

[Explanation: System Operation charge includes fee for scheduling and system operation, energy accounting, fee for affecting revisions in schedule on bonafide grounds and collection and disbursement of charges.]”

In compliance to the aforesaid Regulation 21(2)(b), the Commission has decided to retain the

system operation charges of Rs. 3,000 per day or part of the day for each transaction payable to the SLDC by Intra-state open access customers with effect from the date of issue of this Order.

The SLDC Charges approved for FY 2024-25 shall be applicable with effect from April 01, 2024 and shall continue to apply till further Orders of the Commission.

3. Commission's Directives

The Commission in its previous Orders had issued a number of specific directions to SLDC with an objective of attaining operational efficiency and streamlining the flow of information, which would be beneficial for the sector and the Petitioner both in short and long term. This Chapter deals with the compliance status and Commission's views thereon as well as the summary of new directions for compliance and implementation by SLDC.

3.1 Compliance of Directives issued in MYT Order dated March 30, 2023

3.1.1 *Project Cost & Transfer of assets from PTCUL to SLDC*

The Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2021 has to be complied strictly by SLDC regarding maintenance of its expenses related to the operation of SLDC.

The Commission also directs SLDC to file the Petition seeking truing up of FY 2022-23 along with the APR of FY 2023-24 in accordance with the MYT Regulations, 2021 along with separate Audited Accounts for SLDC, failing which action may be initiated against it under the provisions of the Act. SLDC is also directed to submit quarterly status to the Commission regarding the efforts made for ring fencing of SLDC within 15 days from the end of each quarter.

Petitioner's Submissions

The Petitioner submitted that the separate audited accounts of SLDC for FY 2022-23 has been submitted along with the Petition as per direction of the Hon'ble Commission.

Further, the Petitioner submitted the Progress Report with regard to Ring Fencing.

Fresh Directive

As discussed earlier, though the SLDC has filed the true-up separately, but the separate audited accounts of SLDC are not prepared. The Commission observed that the ring fencing of SLDC is still in process. The Commission is of the view that till ring fencing of SLDC is complete and the separate accounts of SLDC are prepared, filing separate true up Petition for SLDC does not make sense. **Hence, the Commission once again directs SLDC that the provisions of the UERC Tariff Regulations, 2021 has to be complied strictly by SLDC regarding maintenance of its expenses related to the operation of SLDC. The Commission also directs SLDC to file the Petition seeking**

truing up of FY 2023-24 along with the APR of FY 2024-25 i.e. along with separate Audited Accounts for SLDC, failing which action may be initiated against it under the provisions of the Act. SLDC is also directed to submit quarterly status to the Commission regarding the efforts made for ring fencing of SLDC within 15 days from the end of each quarter.

3.1.2 LDC Development Fund

The Petitioner is directed to ensure timely submission of the completed cost along with the scheduled COD, actual COD and actual IDC incurred on the projects developed through LDC Development fund within 30 days of CoD of the project/works.

Petitioner's Submissions

The information of projects completed through LDCD fund shall be submitted to the Commission in a timely manner as prescribed by the Commission.

Fresh Directive

The Petitioner is directed to ensure timely submission of the completed cost along with the scheduled COD, actual COD and actual IDC incurred on the projects developed through LDC Development fund within 30 days of CoD of the project/works.

3.1.3 Financing of infrastructural works

The Petitioner is directed to submit the details of the works financed through Internal Resources and LDCD Funds separately for FY 2022-23 within 3 months of issuance of this Order. The Petitioner is also directed to submit the same details for FY 2023-24 at the time of filing of Petition seeking truing up of FY 2022-23 along with the APR of FY 2023-24 in accordance with the MYT Regulations, 2021.

Petitioner's Submissions

The Petitioner submitted that they shall adhere to the Commission's directions. The Petitioner further submitted that the details of works completed in FY 2022-23 and funded by LDCD Funds have been submitted in the current petition.

Fresh Directive

The Commission has noted the compliance made by the Petitioner. The Petitioner is directed to submit the details of the works financed through Internal Resources and LDCD Funds

separately for FY 2023-24 within 3 months of issuance of this Order. The Petitioner is also directed to submit the same details for FY 2024-25 at the time of filing of Petition seeking truing up of FY 2023-24 along with the APR of FY 2024-25 in accordance with the MYT Regulations, 2021.

3.1.4 AMC Contracts

The Commission directs the Petitioner to submit the details of bids received along with the details of L-1, L-2, and L-3 bidders for annual maintenance along with the next ARR Petition for FY 2024-25.

Petitioner's Submissions

The Petitioner submitted list detailing the AMC Contracts awarded by SLDC.

Fresh Directive

The Commission noticed that along with the Petition, the Petitioner has not submitted the work order details related to Annual Maintenance Contracts (AMC) for FY 2022-23 and FY 2023-24. In the matter, **the Commission directs the Petitioner to submit the complete details of contracts awarded along with copy of Agreements and work orders for annual maintenance along with the next ARR Petition for FY 2025-26.**

3.1.5 Timely execution and Capitalization of schemes

The Commission strictly directs the Petitioner to expedite the process of executing the projects and capitalize the schemes as approved in the current order.

Petitioner's Submissions

The Petitioner submitted that the directive of the Hon'ble Commission is well taken and SLDC will ensure timely execution of the projects.

Fresh Directive

The Commission has noted the submission of the Petitioner. **The Commission once again directs the Petitioner to expedite the process of executing the projects and capitalize the schemes as approved in the current order.**

(M. L. Prasad)
Member (Technical)

(D.P. Gairola)
Member (Law)-Chairman(I/C)

4. Annexures

4.1 Annexure-1 : Public Notice on SLDC's Proposal



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
 (A Govt. of Uttarakhand Undertaking) CIN:U40101UR2004SGC028675
 Vidyut Bhawan Near ISBT Crossing, Saharanpur Road, Majra, Dehradun-248002
 Phone no.: 0135-2642006 Fax no. 01352643460

PUBLIC NOTICE

Inviting Comments on the petition filed by SLDC for approval of the True Up for FY 2022-23 , Annual Performance Review for FY2023-24 and Revised Aggregate Revenue Requirement for FY 2024-25

Salient Points of the ARR/ Tariff Petition
 State Load Despatch Centre, which has been made operational for grid control and despatch of electricity and other related works w.e.f. November 27, 2012 in the State of Uttarakhand, has filed a petition before the Commission for approval of the True Up for FY 2022-23, Annual Performance Review for FY 2023-24 and Revised Aggregate Revenue Requirement for FY 2024-25. The summary of SLDC for the aforesaid is given in the following Table:

Summary of True Up, APR and ARR of SLDC (₹Crore)

S. No	Particulars	FY 2022-23 (True Up)		FY 2023-24 (APR)		FY 2024-25 (ARR)	
		Approved (T.O. dt. 31.03.2022)	Claimed for True Up	Approved (T.O. dt. 30.03.2023)	Revised Estimates	Approved (T.O. dt. 31.03.2022)	Proposed
1	Depreciation	3.95	2.39	3.40	2.59	6.35	3.33
2	Interest & Finance Charges	1.50	1.00	0.44	0.98	3.57	1.48
3	Return on Equity	1.65	1.79	1.55	1.94	3.60	2.48
4	O&M Expenses	8.24	10.38	9.57	10.01	18.80	13.09
5	Interest on Working Capital	0.48	0.58	0.54	0.59	1.04	0.80
	Income Tax	-	0.17	-	-	-	-
6	Gross Expenditure	15.82	16.32	15.52	16.12	33.36	21.18
7	Less: Non-tariff Income	-	0.01	-	0.03	-	-
8	Net Expenditure	15.82	16.30	15.52	16.08	33.36	21.18
9	Add True Up of Previous Year	-	-	-	-	-	0.61
10	Net ARR	15.82	16.30	15.52	16.08	33.36	21.79
11	Revenue Gap/(Surplus) for the year	-	0.48	-	-	-	-

2. SLDC has proposed a total increases of 40.40% for FY 2024-25 over the approved SLDC charges for FY 2023-24. The recovery of the charges from the beneficiaries has been proposed through suitable fees and charges.

3. Detailed proposal can be seen free of cost on any working day at the Commission's office or at the office of Managing Director, Power Transmission Corporation of Uttarakhand Limited, Vidyut Bhawan, Saharanpur Road, Majra, Near ISBT, Dehradun-248001, Uttarakhand. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.

4. The proposals are also available at the website of the Commission (www.uerc.gov.in) and at SLDC's website (www.ukslcdc.in).

5. Objections/suggestions are invited from the consumers and other stakeholders on the above proposal. These may be sent to the the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at Vidyut Niyamak Bhawan, Near I.S.B.T., P.O.-Majra Dehradun-248171 or through e-mail to secy.uerc@gov.in as a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by 31.01.2024.

Letter No. 390/SLDC/ Dated: 29.12.2023
Managing Director

4.2 Annexure-2 : List of Participants in Public Hearings

List of Participants in Hearing at Almora on 19.02.2024

Sl. No.	Name	Designation	Organization	Address
1.	Dr. R.S. Shahi	-	-	Near CMO Office, Pandey Khola, Distt. Almora, Uttarakhand.
2.	Sh. Gopal Singh	-	-	New Indira Colony, Khatyari-263656, Distt. Almora, Uttarakhand.
3.	Sh. Girish Chand Malhotra	-	-	G.S. Sadan, Gopaldhara, Dharanaula-263601, Distt. Almora, Uttarakhand.
4.	Smt. Halima Ansari	-	-	Near Haldwani Taxi Stand, Gurudwara, Tilakpur-263601, Distt. Almora, Uttarakhand.
5.	Sh. Manjul Mittal	-	-	Ashirwad Bhawan, Ranidhara Road, Distt. Almora, Uttarakhand.
6.	Sh. N.C. Pant	-	-	Pant Bhawan, West Pokharkhali-263601, Near District Jail, Distt. Almora, Uttarakhand.
7.	Sh. P.C. Tewari	President	Uttarakhand Parivartan Party	Dipti Niwas, Dharanaula-263601, Distt. Almora, Uttarakhand.
8.	Sh. Prakash Chand	-	-	S/o Sh. Nathuram, Village-Chitai Pant, Post Office-Chitai, Distt. Almora, Uttarakhand.
9.	Sh. Shubham Joshi	-	-	House No. 1, Gangola Mohalla-263601, Distt. Almora, Uttarakhand.
10.	Sh. Amit Shah	Ward Member	-	Near Petrol Pump, Pandeykhola, Distt. Almora, Uttarakhand.
11.	Sh. Atul Pandey	-	-	Pandeykhola, Deen Dayal Upadhyay Park, Distt. Almora, Uttarakhand.
12.	Sh. Akash Mehra	-	-	Village-Kasar Devi, Freedom Guest House, Distt. Almora, Uttarakhand.
13.	Sh. Pan Singh	-	-	S/o Sh. Soban Singh, Village-Surchaura, Tehsil-Jaiti, Distt. Almora, Uttarakhand.
14.	Sh. Sushil Shah	-	-	S/o Late Sh. Lal Shah, Khajanchi Bazar-263601, Distt. Almora, Uttarakhand.

List of Participants in Hearing at Rudrapur on 20.02.2024

Sl. No.	Name	Designation	Organization	Address
1.	Sh. Shakeel A. Siddiqui	Legal Advisor	M/s Kashi Vishwanath Textile Mill (P) Ltd.	House No. T-4, Prakash City, Bazpur Road, Kashipur, Distt. Udham Singh Nagar.
2.	Sh. Sanjay Kumar Adhlakha	Director	M/s Ambashakti Glass India Pvt. Ltd.	Plot No. 41, Sector-3, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
3.	Sh. Shreekar Sinha	President	SIDCUL Entrepreneur Welfare Society	SHIRDI Industries, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udhamsingh Nagar.
4.	Sh. Ashok Bansal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udhamsingh Nagar.
5.	Sh. Vicky Sachdeva	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
6.	Sh. Devesh Pant	-	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udham Singh Nagar
7.	Sh. Mahesh Chand Pandey	-	-	Village-Sufi Bhagwanpur, Lalkuan, Haldwani, Uttarakhand.
8.	Sh. Teeka Singh Saini	Block President	Bhartiya Kisan Union	Office-33, Katoratal, Kashipur, Distt. Udhamsingh Nagar
9.	Sh. Mukesh Tyagi	-	SIDCUL Entrepreneur Welfare Society	Plot No. 1, Sector-9, IIE, SIDCUL, Pantnagar, Distt. Udhamsingh Nagar.
10.	Sh. Rahul Jain	-	M/s Bhagwati Alloys	Khasra No. 280/10/2, Bannakhera Road, Village-Vikrampur, Bazpur, Distt. Udhamsingh Nagar.
11.	Sh. Balkar Singh Fauzi	-	-	Village-Raipur Khurd, P.O.-Kashipur, Distt. Udhamsingh Nagar
12.	Sh. Baljinder Singh Sandhu	District General Secretary	Bhartiya Kisan Union	Pega Farm, P.O.-Mahuakheraganj, Kashipur, Distt. Udhamsingh Nagar
13.	Shri Kalyan Singh	-	Bhartiya Kisan Union	Village-Gurdei, P.O.-Mahuakhera, Kashipur, Distt. Udhamsingh Nagar
14.	Sh. Rajeev Gupta	-	M/s Kashi Vishwanath Steels Pvt. Ltd.	Narain Nagar Industrial Estate, Bazpur Road, Kashipur-244713, Distt. Udhamsingh Nagar
15.	Sh. Sanjay Agarwal	Vice President	M/s KVS	Works: B-25-29, Industrial Estate,

Sl. No.	Name	Designation	Organization	Address
			Castings Pvt. Ltd.	Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
16.	Sh. Chandresh Agarwal	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
17.	Sh. Rajesh Chand Saxena	-	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur-244713, Distt. Udham Singh Nagar.
18.	Sh. Neeraj Bhatt	-	M/s Ashok Leyland Ltd.	Plot No. 1, Sector-12, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar
19.	Shri Rajeev Sharma	-	M/s Varroc Engg. Pvt. Ltd.	Plot No. 20, Sector-9, SIDCUL, Pantnagar, Distt. Udham Singh Nagar
20.	Sh. Ashok Tiwari	-	M/s Roquette India Pvt. Ltd.	Plot No. 12, Sector-9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar.
21.	Sh. Bhupinder Singh	-	M/s Roquette India Pvt. Ltd.	Plot No. 12, Sector-9, IIE, SIDCUL Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar.
22.	Sh. K.R. Pathak	-	M/s Belrise Industries Ltd.	Plot No. 15, Sector-10, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udham Singh Nagar.
23.	Sh. Ram Kumar Agarwal	-	M/s Umashakti Steels Pvt. Ltd.	Village-Vikrampur, Post Off.-Bazpur-262401, Distt. Udham Singh Nagar
24.	Sh. Thakur Jagdish Singh	-	-	Village-Dharampur, P.O.-Chhatarpur, Rudrapur-263153, Distt. Udham Singh Nagar
25.	Sh. Rajesh Mishra	-	SIDCUL Association	Plot No. 1, Sector-9, IIE, SIDCUL Pantnagar, Rudrapur, Distt. Udham Singh Nagar.
26.	Sh. Ajay Kumar Agarwal	-	-	D-69, Old Allahabad Bank Lane, Main Market, Rudrapur, Distt. Udham Singh Nagar
27.	Sh. R.B. Biradar	Sr. General Manager	M/s Radico Khaitan Ltd.	A-1, A-2, B-3, Industrial Area, Bazpur, Distt. Udham Singh Nagar
28.	Sh. Anil Kumar	-	M/s La Opala RG Ltd.	B-108, Eldeco Sidcul Industrial Park, Sitarganj, Distt. Udham Singh Nagar
29.	Sh. Prem Narayan Singh	-	M/s Uttaranchal Ispat (P) Ltd.	Plot No. D-1 to D-8, Pipalia Industrial Area, Village-Jagannathpur, Kashipur, Distt. Udham Singh Nagar.
30.	Sh. Sanjeev Jindal	-	M/s Vishwanath Papers & Boards Ltd.	Village-Halduashahu, Patti-Jagatpur, Kashipur-Jaspur Road, Jaspur-244712, Distt. Udham Singh Nagar.
31.	Sh. Mukesh Kumar Pant	-	RSB Transmission	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153,

Sl. No.	Name	Designation	Organization	Address
			India Ltd.	Distt. Udham Singh Nagar
32.	Sh. Devkinandan Dumka	-	RSB Transmission India Ltd.	Plot No. 23, Sector-11, Tata Vendor Park, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar
33.	Sh. Ashwani Gupta	-	M/s Parmatama Ferro Alloys Pvt. Ltd.	Works : Ramraj Road, Village- Vikrampur, Bazpur, Distt. Udham Singh Nagar
34.	Sh. Sukhwinder Pal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar
35.	Sh. Jaspal	-	-	Village-Bhajuanagla, Bazpur, Distt. Udham Singh Nagar

List of Participants in Hearing at Tehri on 24.02.2024

Sl. No.	Name	Designation	Organization	Address
1	Sh. Jagjeet Singh Negi	-	-	L-Block, Type - 4, 1/4, New Tehri, Uttarakhand.
2	Sh. C.P. Dabral	-	-	Sector-4D, II, Building No. 17, Village- Moldhar, Block-Jaunpur, New Tehri, Uttarakhand.
3	Sh. Arvind Nautiyal	-	-	33/4, C-Block, Type-3, New Tehri, Uttarakhand.
4	Sh. Kamal Singh Mehar	-	-	305, 7-C, Bauradi, New Tehri, Uttarakhand.
5	Sh. Kishori Lal Chamoli	-	-	House No. 215, Sector-8B, Bauradi, New Tehri, Uttarakhand.
6	Sh. Rajesh Vyas	-	-	House No. 365, Sector-7C, Bauradi, New Tehri, Uttarakhand.
7	Sh. Chandra Mohan	-	-	Near Dheeraj Pundir General Store, Talla Chamba, Tehri Garhwal
8	Sh. Ayush Kaintura	-	-	C-Block, Type-5, New Tehri, Uttarakhand.
9	Sh. Rakesh Uniyal	-	-	E-Block, 20/4, New Tehri, Uttarakhand.
10	Sh. Peetambar Dutt Chamoli	-	-	Village-Pata, P.O. Gyansyun, Tehri Garhwal, Uttarakhand.
11	Sh. Ajay Gusain	-	-	Gusain Sadan, Near Thana Building, New Tehri, Uttarakhand.
12	Sh. Vijay Singh Parmar	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
13	Sh. Anand Prakash Ghildiyal	-	-	House No. 524, Sector-8 E, Bauradi, New Tehri, Uttarakhand.
14	Sh. Mukesh Raturi	-	-	J-15/1, Type-2, New Tehri, Uttarakhand.
15	Sh. Munendra Negi	-	-	J-15/2, Type-2, New Tehri, Uttarakhand.

List of Participants in Hearing at Dehradun on 26.02.2024

Sl. No.	Name	Designation	Organization	Address
1	Sh. Pankaj Gupta	President	Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
2	Sh. Rajiv Agarwal	-	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
3	Sh. Sanjeev Kumar	Office Executive	M/s Industries Association of Uttarakhand	C/o Satya Industries, Mohabbewala Industrial Area, Dehradun
4	Sh. Sunil Kashyap	-	-	Near Madhur Milan Tent House, Daurwala, Mothrowala, Dehradun.
5	Sh. Gulshan Khanduja	-	M/s Shree Ganesh Roller Flour Mills	Mohabewala Industrial Area, Subhash Nagar, Dehradun
6	Sh. Pawan Agarwal	Vice-President	M/s Uttarakhand Steel Manufacturers Association	C/o Shree Sidhbal Industries Ltd., Kandi Road, Kotdwar, Uttarakhand
7	Sh. Suresh Bansal	-	M/s Kukreti Steel Ltd.	Jasodharpur Industrial Area, Kotdwar
8	Sh. Ashish Raturi	-	-	House No. 1, Badowala, near petrol pump, Shimla Bypass Road, Dehradun-248007.
9	Sh. Ramesh Joshi	State President	Suraj Sewa Dal	Office-Kaulagarh Road, Sirmaur Marg, Dehradun.
10	Sh. Shanti Prasad Bhatt	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
11	Sh. Sunil Kotnala	-	Uttarakhand Kranti Dal	Residence-124, Mitralok Colony, Ballupur Road, Dehradun, Uttarakhand.
12	Sh. Sunil Masson	General Secretary	C/o Doon Udhyog Vyapar Mandal	1, Saraffa Bazar, Dhamawala, Dehradun.
13	Sh. Mohit Bhatia	-	C/o Doon Udhyog Vyapar Mandal	47/21, West Patelnagar, Dehradun.
14	Sh. Ashok Goswami	Manager	Shetra Mai Jeevni Ram Sukhdevi Ram Trust	Haridwar Road, Rishikesh-249201, Dehradun.
15	Sh. Uma Shankar Pandey	-	Budget Hotel Association	Office-Almora Bhawan, Vijay Laxmi Niwas, Shravan Nath Nagar, Haridwar-249401.
16	Sh. Surya Prakash	-	-	271/153, Araghar, Dehradun.
17	Sh. Vijay Singh Verma	-	-	Village-Delna, P.O. Jhabrera, Roorkee-247665, Haridwar
18	Sh. Rakesh Bhatia	State Chairman	Patelnagar Industrial Association	E-8, Govt. Industrial Area, Patel Nagar, Dehradun.
19	Sh. Veeru Bisht	-	-	Mohanpur, Post Off.-Premnagar, Dehradun-248007
20	Sh. Yashveer Arya	-	-	Surbhi Enclave, Canal Road, Jakhan, Rajpur Road, Dehradun.

Sl. No.	Name	Designation	Organization	Address
21	Sh. Vijay Mohan Mishra	-	M/s Jubilant Generics Limited	Sikandarpur Bhainswal, Bhagwanpur, Roorkee, Haridwar.
22	Sh. Sunil Uniyal	President	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.
23	Sh. D.K. Maajhi	-	M/s Indian Extrusions Pvt. Ltd.	Address-1393, Langha Road, Industrial Area, Chharba-248142, Dehradun.
24	Sh. Mukesh Sharma	-	M/s Uttarakhand Industrial Welfare Association	222/5, Gandhi Gram, Dehradun-248001, Uttarakhand.