

# Before the MP Electricity Regulatory Commission

**Filing No.  
Petition No.**

**IN THE MATTER OF                    LEVY AND COLLECTION OF FEE AND CHARGES BY  
STATE LOAD DESPATCH CENTRE (SLDC)  
JABALPUR FOR THE YEAR 2023-24**

AND IN THE MATTER OF    STATE LOAD DESPATCH CENTRE, MPPTCL,  
NAYAGAON, P.O VIDYUT NAGAR, RAMPUR,  
JABALPUR. 482 008.

**.....THE PETITIONER**

**AND**

1. M.P.POORVA KSHETRA VIDYUT VITARAN CO. LTD, JABALPUR,  
BLOCK NO-6, G, SHAKTI BHAWAN, RAMPUR, JABALPUR
2. M.P. MADHYA KSHETRA VIDYUT VITARAN CO. LTD BHOPAL,  
NISHTHA PARISAR, BIJLI NAGAR, GOVINDPURA, BHOPAL 462 023
3. M.P. PASCHIM KSHETRA VIDYUT VITARAN CO. LTD, INDORE,  
GPS CAMPUS, POLOGROUND, INDORE. 452 003
4. M.P. POWER MANAGEMENT COMPANY LTD., JABALPUR  
BLOCK NO-16,SHAKTI BHAWAN, RAMPUR, JABALPUR 482008
5. M.P. POWER TRANSMISSION COMPANY LIMITED JABALPUR,  
BLOCK NO-2, FIRST FLOOR, SHAKTI BHAWAN, RAMPUR, JABALPUR.
6. M.P. POWER GENERATING COMPANY, LTD, BLOCK NO-9, 1<sup>ST</sup> Floor, SHAKTI  
BHAWAN, RAMPUR, JABALPUR. 482 008.
7. M.P. INDUSTRIAL DEVELOPMENT COPORATION LIMITED (FORMERLY M.P.  
AUDYOGIK KENDRA VIKAS NIGAM (INDORE) LTD. (A GOVT OF MP  
UNDERTAKING – SUBSIDIARY OF MPSIDC), 1<sup>ST</sup> FLOOR, ATULYA PARK, NEAR  
CRYSTAL IT PARK, KHANDEWA ROAD, INDORE -452007 (M.P.)
8. CHIEF ELECTRICAL DISTRIBUTION ENGINEER, GENERAL MANAGER'S  
OFFICE, ELECTRICAL DEPT., WEST CENTRAL RAILWAY, JABALPUR-482001
9. M/s SATPURA TRANSCO PVT LTD  
(Formely Known as Kalpataru Satpura Transco Private Limited  
7<sup>th</sup> FLOOR, FULCRUM, SAHAR ROAD, ANDHERI (EAST), MUMBAI 400099

10. NARMADA HYDERO-ELECTRIC DEVELOPMENT CORPORATION LTD, BHOPAL, NHDC SQUARE, BLOCK-2, 5TH FLOOR, PRYAVAS BHAWAN, ARERA HILLS, BHOPAL 462 011.
11. NARMADA VALLEY DEVELOPMENT AUTHORITY, NARMADA BHAWAN, 59, ARERA HILLS, BHOPAL 462-011.
12. BLA POWER PRIVATE LIMITED, 84, MARKER CHAMBERS III, NARIMAN POINT, MUMBAI-400021
13. JAIPRAKASH POWER VENTURES LTD, SECTOR-128, NOIDA-201304 UTTAR PRADESH

..... **RESPONDENTS**

The petitioner most respectfully submits as under :-

**1.0** That I, R.K. Gupta, aged about 55 years, S/o Shri N.D. Gupta, do hereby solemnly affirm and declare that I am Superintending Engineer in the office of the Chief Engineer, State Load Despatch Centre, Madhya Pradesh Power Transmission Co. Ltd., Jabalpur (M.P) and duly authorised by SLDC as OIC in the case.

**2.0** That the applicant State Load Despatch Centre, hereinafter called SLDC, is the apex body for scheduling and system operation in the State of MP incorporated under Section 31 of Electricity Act 2003. In exercise of the Powers conferred under Section 31(1) of Electricity Act-2003 (Central Act 36 of 2003), the Government of MP vide order No 2489/13/04 dated 17-05-2004 has notified the State Load Despatch Centre, Jabalpur as apex body to ensure integrated operation of the power system in the state, to be operated by the State Transmission Utility, hereinafter called as STU.

**3.0** That in pursuance to section 32(3) of Indian Electricity Act 2003, Hon'ble Commission through its Regulation has directed the SLDC to file a petition in the matter of levy and collection of fee and charges by State Load Despatch Centre (SLDC) Jabalpur.

**4.0** That as per section 32(3) of IE Act 2003, the SLDC 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. However, the Ministry of Power, Govt of India, in exercise of powers conferred under section 183 of the Electricity Act 2003, issued an order for “Removal of Difficulties” on 8<sup>th</sup> June 2005 (S.O. 795(E)) in respect of levy and collection of fees and charges for using the transmission systems. As per the order, the State Load Despatch Centre may levy and collect such fee and charges from the licensees using the intra-state transmission system as may be specified by the State Commission.

**5.0** That this application for approval of SLDC fee and charges for the year 2023-24 is hereby submitted as per Madhya Pradesh Electricity Regulatory Commission (Levy and Collection of Fee and Charges by State Load Despatch Centre ) Regulations, 2004 Revision-1, 2006 ( Third Amendment ) notified on 19<sup>th</sup> Nov 2010.

**6.0 EMPLOYEE POSITION AT SLDC & SUB-LDCS :**

The Load Despatch Centre is carrying out the function of system operation and control in the State. The employee position as on 31<sup>st</sup> October 2022 is total 152 sanctioned posts and 84 working strengths in all the cadres which also include one post of Executive Finance and one post of OA-GR-III on contract basis at SLDC, one post of Junior Engineer on contract basis posted at Sub-LDC Indore and one post of Testing Attendant on contract basis at Backup SLDC Bhopal. It is submitted that SE is given current charge of CE, four EEs is given Current charge of SE and also Six AEs & Six JEs are given current charge of EE & AE respectively.

The detail of sanctioned, working and vacant position in SLDC as on 31-10-2022 is Annexed in Annexure OC1.

**7.0** The projections of SLDC Fee and Charges for FY 2023-24, under various heads and the information related to various formats of the regulation are mentioned hereunder:-

**7.1 EMPLOYEE COST :**

The employee cost for FY 2023-24 has been worked out for the working strength at SLDC & Sub-LDCs as on 31.10.2022 As per recommendations of “Manpower, Certification and Incentive for system operation and ring-fencing Load Despatch Centers”, basic level training and specialist level Certification course for Load

Despatch system operation is carried out continuously. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs and various workshop, training etc. has been made during FY 2023-24. As per recommendation of Pradhan Committee constituted for “Man Power Certification and Incentives for System Operation and Ring Fencing Load Despatch centre”, the engineers who have completed training are to be considered for certification linked incentive. Further, Hon’ble CERC order dated 15.03.2022 in the matter of “Approval of Detailed Procedure on Methodology of Payment of Certificate Retainership” has approved the Detailed Procedure Methodology of Payment of Certificate Retainership and as per clause 8 of the above procedure, CERC approved the following Certificate Retainership Amount per month: -

<b>Sr.No.</b>	<b>Certification Level</b>	<b>Certificate Retainer-ship amount in (₹) per month)</b>
1	Basic	7500
2	Specialist	10000
3	Management	12000

However, as per clause 3.2 of detailed procedure, it is mentioned that “Applicability of this Procedure to State Load Despatch Centres (SLDCs) including Area Load Despatch Centers (ALDCs)/sub-Load Despatch Centres (Sub-LDCs) to the extent of payment for certificate retainer-ship amount may be decided by the respective State Electricity Regulatory Commission.” Presently, the certificate incentive amount for the eligible personnel for the period from 01.04.2019 to 31.03.2022, and provision for Fy 2022-23 & 2023-24 has been worked out which comes out to ₹ 149.93 Lakhs and has been considered in Employee Cost for FY 2023-24 and mentioned in From F4 of the Petition. The Summary of certificate retainer-ship amount is enclosed herewith as Annexure-II. It is requested to Hon’ble Commission kindly approve the certificate retainer-ship amount as given in clause 8 of the detailed procedure approved by CERC vide Order dated 15.03.2022.

Further, it is submitted that during the FY 2023-24, 3 no. of officer/employee shall be retired from services. Accordingly, expenditure related to Leave encashment on retirement has been work out and considered in employee cost. It is expected that amount of ₹ 63.36 lakhs shall be required to pay on account of Leave encashment.

The total employee cost works out to ₹ 1536.46 Lakhs (Form-F4). The provisions for vacant posts, terminal benefit on retirement (pension and gratuity have not been considered in the projected employee cost and it is proposed that the same shall be adjusted in true up, if required to be paid.

## **7.2 ADMINISTRATION AND GENERAL EXPENSES:**

The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2023-24 works out to ₹ 271.52 Lakhs (Form-F5). The above A&G projection comprises of Electricity Charges, Communication charges, consultancy charges, travelling expenses, Security service charges, Vehicle hire charges, books & stationery, MPERC fee, advertisement expenses, legal charges, corporation tax of SLDC Building at Bhopal, outsourcing expenses and miscellaneous expenses as contingency.

## **7.3 REPAIR AND MAINTENANCE CHARGES:**

The Repair and maintenance expenses for the year 2023-24 are estimated to ₹ 219.64 Lakhs (Form-F6). This includes maintenance charges of SCADA/EMS & Wideband Communication system, Unified real Time Dynamic Measurement System (URTDSM) system, CCTV BASED Surveillance system, Hot line exchange, Voice logger system, AMC charges for ABT OA & MIS System, Maintenance costs of Auxiliary Power Supply system (UPS, DG Set), maintenance of system support services, maintenance of AC Plant, maintenance of office equipment, maintenance of building (including Backup SLDC at Bhopal & Sub-LDC Indore), Video Conferencing System, Video Projection System, Cyber Security system, PSS/E Software Maintenance & Support Work, maintenance of Renewable Energy Management

System, Access Control System, Fire Alarm system and Fire extinguisher, etc. The provision for civil maintenance works mainly comprise of Civil Maintenance of SLDC building: repairing of compound wall of SLDC Building, General Internal Civil Maintenance work, General Civil Maintenance work of Water supply sanitation I/C renovation of Sanitation System of SLDC Building. Civil Maintenance work of Newly Allotted Premises, maintenance of back-up SLDC Building i.e roof treatment, painting and distemper of SLDC Building/ Sub-LDC Building etc.

The five-year R&M plan of SLDC, Backup SLDC & Sub LDC for FY 2022-23 to FY 2026-27 is also annexed herewith as Annexure RM1.

#### **7.4 DEPRECIATION, ROE AND INCOME TAX :**

The GoMP has identified the assets of SLDC as a part of MPPTCL. The depreciation has been worked out to ₹ 114.09 Lakhs (Form F7) using Straight Line Method as per rates and in the manner prescribed in the Electricity Act 2003. The ROE has been worked out to ₹ 53.58 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to ₹ 17.89 Lakhs. However, in line with the orders passed by Hon'ble Commission for levy & collection of fee & charges for FY 08-09, these charges are not included in the Annual Revenue Requirement of SLDC for the FY 2023-24.

#### **7.5 INTEREST AND FINANCE CHARGES :**

The interest and finance charges comprise of only one component i.e. Interest on Working Capital (Form F8).

#### **7.6 WORKING CAPITAL :**

The working capital has been computed considering the expenses for Employee cost, A&G, and R&M. The monthly working capital comes out to ₹ 168.97 Lakhs.

#### **7.7 INTEREST ON WORKING CAPITAL : -**

As per third amendment in regulation of SLDC fee and charges notified on 19<sup>th</sup> Nov 2010, the Rate of interest on working capital has to be considered on normative basis equal to the Base Rate of State Bank of India as on 1<sup>st</sup> April of the year plus 4%. Accordingly the rate of IWC has been taken as 11.55 % (Base Rate 7.55% wef 1<sup>st</sup> April

2022). However, interest on working capital is not considered in instant petition and the same will be claimed in true- up, if required.

### 7.8 FUTURE PLAN FOR CAPITAL EXPENDITURE :

(A) Hon'ble Commission has approved capital expenditure plan of SLDC for the period FY 2021-22 to FY 2025-26 vide order dated 06.12.2021 along with SLDC fee and Charges for FY 2021-22. The present status of various capex works is enclosed herewith as Annexure-I. The details of Capex Fund as on 31st March 2022 is given below:-

Yearwise Details of Fund marked for capex fund out of Operation & Scheduling charges

Amount in ₹ Lakhs			
Financial Year	Operation & Scheduling Charges.	50% of O&S treated as Income	Year Wise Capex Fund (2-3)=4
1	2	3	4
2006-07	39.18	19.59	19.59
2007-08	67.64	33.82	33.82
2008-09	125.37	62.69	62.69
2009-10	151.57	75.79	75.79
2010-11	202.92	101.46	101.46
2011-12	185.43	92.72	92.72
2012-13	265.63	132.82	132.82
2013-14	265.74	132.87	132.87
2014-15	363.81	181.91	181.91
2015-16	364.39	182.20	182.20
2016-17	407.94	203.97	203.97
2017-18	508.83	254.42	254.42
2018-19	572.79	286.40	286.39
2019-20	644.19	322.10	322.10
2020-21	611.89	305.95	305.95
2021-22	680.03	340.02	340.01
<b>Total (A) As on 31.03.2022</b>	<b>5757.35</b>	<b>2728.68</b>	<b>2728.67</b>

The Details of Actual Capital Expenditure for the FY 2006-07 to 2021-22.

( Amount in Lakhs of ₹)		
Financial	Category of Expenditure (A/C Code)	Year wise

Year	Fixed Assets (10)	Capital works in progress (14)	Capital Advance	Total
2006-07	25.66			25.66
2007-08	14.73			14.73
2008-09	5.96	0.9		6.86
2009-10	0			0
2010-11	28.82			28.82
2011-12	9.43	61.89		71.32
2012-13	1.83	42.92	7.8	52.55
2013-14	92.55	-41.27	0	51.28
2014-15	22.73	-8.69	-7.8	6.24
2015-16	7.55	-0.39	0	7.16
2016-17	14.79	70.81	0	85.6
2017-18	16.02	168.18	0	184.2
2018-19	319.72	-127.09	0	192.63
2019-20	-30.56	21.3	0	-9.26
2020-21	27.34	-6.04	0	21.30
2021-22	249.65	-182.51	0	67.14
<b>Total (B)</b>	<b>806.22</b>	<b>0.01</b>	<b>0</b>	<b>806.23</b>

Less:- Fund through PSDF	247.56
Less:- Fund through MPPTCL Fund	5.29
Fund Utilized through Capex Fund ( C )	<b>553.38</b>
Net Capex Fund As on 31.03.2022 (A-C)=(D)	2175.29
Add:- Interest on Capex Fund	18.69
<b>Capex Fund As on 31<sup>st</sup> March 2022</b>	<b>2193.98</b>
Less:- Already Transfer on dated 19.08.2021 (E)	1311.91
Less:- Net Interest credited on Capex Fund	16.82
Less:- TDS on Interest on Capex Fund	1.87
Net Fund to be transfer (D-E)=(F)	863.38

It is submitted that MPPTCL has already release ₹ 1311.91 Lakhs in to SLDC Capex Bank Account on dated 19.08.2021 (up to FY 2018-19) and Interest earned on Capex Fund Bank account is ₹ 18.69 Lakhs. Now, SLDC has computed Capex fund as on 31<sup>st</sup> March 2022 and as per SLDC records Capex fund is ₹ 2193.98 Lakhs. However, in books of account, capex Fund of Rs 1921.10 Lakhs has been shown which comprises of FY 2006-07 to FY 2020-21). SLDC is also perusing the Finance Section of MPPTCL to transfer the balance amount of ₹ 863.38 Lakhs in SLDC Capex A/c.



**(B) Additional Work in Capex Plan Submitted with Petition for Levy & Collection of Fee and Charges by SLDC for FY 2023-24.**

**(1) Area Fencing with Compound Wall At Newly Allotted Premises I/c Misc Work**  
Requirement of Additional Space:- It is submitted that the functions & responsibilities of State Load Despatch Centre has been increasing day by day requiring new equipment and infrastructure, man power etc. Further, the electricity Sector has been evolving rapidly and also to ensure safe, secure & reliable operation of the Grid, new IT and OT systems are also being installed at SLDC as per the requirement as well as directives of MoP, Gol, POSOCO, CEA and Commissions. Presently, 5 numbers IT & OT Systems are installed in SLDC Building to facilitate smooth operation of the Integrated Grid. A large number of other sophisticated electronic equipment's for logistic support are also installed in SLDC Building. Thus, large number of spares which are sophisticated in nature are to be stocked for ensuring availability of real time data to the Control Room of SLDC. The interrupting of real time data as well as in IT/OT System for reasonable period may not only cause threat to the Grid security but also have commercial burden on Discoms of MP for delay in carrying out scheduling activities. Further, the SLDC is facing acute shortage of space inside the building and the building was constructed in 70's and modern days' requirement of SLDC was not envisaged. So, there is requirement of Store Room for keeping sophisticated spares and record room for keeping Operational & Commercial records in safe custody.

It is submitted that office of AE(Civil:Maint), MPPMCL , is having semi-permanent type setup in front of State Load Despatch Centre Building for routine Civil-Maintenance work of Board's quarters and office located in Nayagaon area. After un-bundling of MPSEB, this office of AE(Civil:Maint.) has been abandoned by the MPPMCL. Therefore, SLDC has requested MPPMCL to allot the unutilized office and hand over the premises of abandoned office of AE (Civil:Maint.) located in front of SLDC Building. The same is now allotted to SLDC and MPPMCL has handed over the premises to SLDC.

**(ii) Financial Commitments:-** The civil department will execute the work and works shall include the renovation of old building, area fencing with compound wall at newly

allotted premises with SLDC Building and misc civil works. As per Civil department, approximately cost of project is ₹ 15.00 Lakhs. The projection for the works is considered in Capex Plan for FY 2023-24.

**(2) Procurement of Next Generation Firewall for securing SLDC critical**

**Infrastructure:** - All the IT & OT systems of SLDC are declared as Critical Information Infrastructure (CII) vide Gazette Notification dated 04-05-2022 and is monitored by National Critical Infrastructure Protection Centre (NCIPC) through Information Security Steering Committee (ISSC) constituted by MPPTCL order No. AS/MPPTCL/E-I/2011 dated 29-06-2022. As per CEA notifications, the Cyber security Audit of all OT & IT systems is required to be carried out biannually at least bi-annually. Further, all the critical & high vulnerabilities identified during audit is required to be closed within a period of one month & all medium & low non-conformity before the next audit. Further the effective closure of all the non-conformities is required to be verified before the next audit. In addition to this, the advisories received from various statutory bodies like CERT-IN, CERT-Go, NCIIPC, CSK etc are also required to be implemented timely. while implementing various advisories and cyber security audit observations it is observed that the existing firewall at SLDC has installed in 2017 and functioning in in High Availability Mode (HA Mode) have following limitations :-

- (i) The firewall has attained its maximum limits of IP addresses that can be blocked. Now it is not possible for SLDC to block IP addresses intimated by CERT-In, CERT-Go and NCIIPC to eliminate cyber threat. Thus, it would make the IT System of SLDC vulnerable and SLDC could not comply to the advisories issued by the Central Agencies.
- (ii) The existing firewall installed earlier is not having the advance features like deep packet inspection support, Intrusion Prevention System (IPS) and Intrusion Detection System (IDS) which is mandatory requirement as per CERT-In and CEA Guidelines.
- (iii) The firewall is not having desired additional ports for integrating new applications and systems.
- (iv) The firewall is not having support for VPN.
- (v) The existing firewall's License is valid only up to October, 2023 and OEM shall not extend any support after this period.

In view of the constraints explained in Para-3/N above, it was utmost necessary to replace existing firewalls for IT Systems with the new firewalls as per the

guidelines of CERT-in and CEA. Accordingly, after taking approval from MD,MPPTCL and estimate amounting to RS 25 lakhs was prepared and an case for procurement of next generation firewall was processed by Issuing of NIT on MP procurement portal. The order for procurement of Next Generation firewall amounting to Rs. 15,17,474.50 has placed vide order No. SE/LD:E&T/1229/2022/618 dated 20-10-2022 and provision of the same is kept in SLDC capex fund for FY 2022-23.

### **(3) JABALPUR ISLANDING SCHEME :**

As per Clause 10 of Central Electricity Authority (Grid Standards) regulations, 2010 Regional Power Committees are required to prepare islanding schemes for separation of systems with a view to save healthy system from total collapse in case of grid disturbance and concern entities are required to ensure proper implementation of the islanding schemes. Accordingly, as per the directives of WRPC, an PMU based islanding scheme is developed using latest State of the Art technology and faster communication capabilities with following objectives:-

1. Monitoring of frequency, power flow on feeders at Jabalpur and Gorabazar 220 KV sub-stations, VFJ, Vinova Bhave 132 KV sub-stations and generation at Amarkantak Thermal Power Station.
2. Continuous monitoring of pre-defined grid disturbance conditions using the data at Centralized Control Unit at SLDC and generating control signal for sub-stations and power stations.
3. Isolate a part of Jabalpur area which is rich with defence establishment from the Grid during major grid disturbance and Amarkantak Thermal Power Station to feed this islanded area.
4. Continue to supply the power in the island and maintain load generation balance in the island by monitoring and control of the island based on PMU based monitoring and control system.
5. Avoid tripping of generator in the island during major system disturbance.
6. Quick restoration of remaining system by facilitating start-up supply during black out in the remaining system.

The Scheme shall have independent Data Acquisition and Remote-Control facility having provisions for future expandability to incorporate Islanding Scheme for other cities.

The scheme is prepared based on budgetary offer obtained from M/s GE T&D India Ltd and expected financial commitment of Rs 6.00 Crores. As per POSOCO letter NO. NLDC-PSDF/18/2022-23 dated 17<sup>th</sup> August 2022, the scheme qualifies for 90% PSDF grant. Accordingly, vide this office letter No. 07-05/RPC-38/1810 dated 30-09-2022, the scheme was submitted for 90% PSDF grant to WRPC. The 10% of the project cost i.e. 60 Lakh Rs. is to be funded from capex fund of SLDC. Accordingly, the provision of Rs. 60 Lakh is made in Capex fund in FY 2024-2025.

**(4) Procurement of Split Air Conditioners for newly constructed conference room of SLDC :-** The construction of new conference room along with dining room is under progress. In order to ensure sufficient cooling in the newly conference room and dining room, eight number 2-ton Split Air conditioners are required to be procured. Accordingly, the provision of ₹ 5.00 lakh for Split Air Conditioner is kept in capex fund for FY 2023-24.

**(5) Availability of Fund:-** Further, it is submitted that after considering the above work SLDC has projected sufficient Capex Fund of ₹ 1036.37 Lakhs at the end of FY 2027-28. The details of availability of capex Fund is detailed hereunder:-

Year wise proposed requirement as well as availability of fund in Rs Lakhs								
Sr.No	Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	TOTAL
1	Availability of fund for Capex (Approved/Projected)	350.00	133.00	146.30	160.93	177.02	194.72	1161.97
2	Previous year Balance	2193.98	2452.65	2322.65	1443.95	739.63	841.65	2193.98
3	Total Capex Available (1+2)	2543.98	2585.65	2468.95	1604.88	916.65	1036.37	3355.95
4	Capex Requirement	91.33	263.00	1025.00	865.25	75.00	0.00	2319.58
5	Cumulative Surplus (3-4)	2452.65	2322.65	1443.95	739.63	841.65	1036.37	1036.37

#### **7.9 INCOME FROM OPEN ACCESS CHARGES:**

Earning of ₹ 251.00 Lakhs has been projected as income from Scheduling & Operation Charges (50% of the total receipt), Connectivity Charges and Application processing fee from Short Term Open Access Customers (STOAC) on the basis of income received in current year & Application processed during current year. (Form F1).

**7.10 OTHER INCOME :-** A lump sum provision for FY 23-24 for ₹ 5.0 lakh has been considered in Form F2 towards recoveries of transport facility, Rental for Staff quarter/water charges, recovery for telephone charges & Misc income.

**8.0 PAYMENT OF STATUTORY TAXES, DUTIES ETC:**

The Fee and Charges to be levied and collected by SLDC from the licensees using the intra-state transmission system has been worked out exclusive of statutory taxes, levy, duty, CESS or any other kind of impost by the Government or any statutory authority. Such expenses, if any, shall be borne by the licensees using the intra-state transmission system and shall be adjusted in the subsequent years. Some of the Open Access Customers have paid Application processing Fee & Scheduling & Operating charges after deducting TDS. However, SLDC has considered gross amount (without deducting TDS) in true-up, hence the amount of TDS is not claimed by SLDC.

**9.0 METHODOLOGY AND ASSUMPTIONS ADOPTED IN PREPARATION OF FEE & CHARGES OF SLDC :**

The assumptions made and methodology adopted for preparation of the Fee and Charges for the FY 23-24 are annexed herewith as Annexure -I.

**10.0 TOTAL FEE & CHARGES OF SLDC :**

The total revenue requirement of SLDC for FY 23-24 is as under:

Sr.No.	PARTICULARS	AMOUNT ( ₹ LAKH)
1	Employee Cost	1536.46
2	Administration and General Charges	271.52
3	Repairs and Maintenance Expenses	219.64
4	Depreciation	0
5	Interest and finance charges	0
6	Return on equity/Investments	0

7	Provision for Income Tax	0
<b>Total</b>		<b>2027.62</b>
8	Less: Revenue from other Charges (i.e Scheduling & Operation charges(50%), Connectivity charges & Application Processing Fee	251.00
9	Less: Other Income	5.00
<b>Net Revenue Requirement for FY 2023-24</b>		<b>1771.62</b>

The net Fee and Charges of SLDC taking into all components described above works out to ₹ 1732.65 Lakhs summarized in FORM S-4.

#### **11.0 ACTUAL EXPENSES & TRUE UP FOR FY 2021-22 :**

The expenses towards Employee cost, A&G and R&M for FY 2021-22, shown in forms of the petition for FY 23-24, are on the basis of Financial Statements of SLDC for the FY 21-22. Further, it is submitted that variation in the figures shown in Balance Sheet, Profit & Loss A/c and its notes to financial statement for Financial Year 21-22 and the figures shown in formats of the petition, is due to following reasons.

( Amount in Lakhs of ₹)

Particulars	Financial statement Ref.		Petition Ref.		Difference	Remark
	Note	Amount	Form No	Amount		
Employee Cost	17	1339.13	F4	1339.30	-0.17	Explanation 1
A & G Expenses	20	225.63	F5	229.95	-4.32	Explanation 2
SLDC charges	15	1256.60	F1	1252.27	4.33	Explanation 3
Other Income	16	59.88	F2	60.21	0.33	Explanation 4

- 1) The employee cost of ₹ 1339.30 Lakhs mentioned in Form F4 comprises of actual employee cost of ₹ 1339.13 Lakhs and training expenses of ₹ 0.17 Lakhs. Further, the training expense ₹ 0.17 Lakh is shown in Form 4 as per standard format of the petition but the same is considered as A&G expenses and included in note 20 of financial statement. Therefore, actual Employee Cost of ₹ 1339.30 Lakhs as mentioned in Form F4 is claimed for true up.

- 2) The A & G expenses of ₹ 225.63 Lakh mentioned in Note 20 of Financial statement are exclusive of Discount to Customers for Timely payment of SLDC Bill of Rs 4.49 Lakhs as these expenses been shown in Note 15 of Financial Statement and the same has been considered in Form F5 of the petition under the Head B (Other Charges)(viii) of the petition and the Training expenses of Rs 0.17 lakhs has been considered in Note 20 of Financial Statement, however the same has been considered in Form F4 of the petition . Therefore, A&G expenses of ₹ 229.95 Lakhs as mentioned in Form F5 are actual expenses claimed for true up.
- 3) The SLDC Charges comprises of Revenue from fee & Charges (i.e. from three Discoms & SEZ) and revenue from other charges (i.e. Scheduling & Operation, Connectivity & Application Processing Fees). The amount of ₹ 1252.27 Lakhs shown in Form F1 includes ₹ 340.02 Lakhs towards revenue from 50% of Scheduling & Operation Charges. As per MPERC (Levy & Collection of Fee & Charges) Regulation 2004, (10.3), 50% of scheduling & operation charges are to be considered as earning and balance 50% is to be retained for infrastructure development. Accordingly, total Scheduling & Operation charges of ₹ 340.02 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (₹ 340.02 Lakhs) and 50% amount retained for capex (₹ 340.01 Lakhs). The amount of ₹ 1252.27 Lakhs shown in Note 15 of financial statement include ₹ 680.04 Lakhs towards revenue from total Scheduling & Operating Charges. Further, In Note 15 of Financial Statement, Discount to Customers for Timely payment of SLDC Bill of Rs 4.49 Lakhs is also decrease from Total Revenue. Further, True Up Income (Over Recover) of Rs 331.51 Lakhs has been shown in F1. Further, the delay payment charges of ₹ 0.33 has also shown in Note 15 of financial statement whereas the same has been shown in Form F2 of the petition. Hence, Net Increase in Note 15 of Financial Statement is works out Rs 4.33 Lakhs (₹ 340.01 Lakhs plus ₹ 0.33 Lakhs Less ₹ 331.51 Lakhs Less ₹ 4.49 Lakhs). Therefore, the amount of ₹ 1252.27 Lakhs as shown in Form F1, is actual earning for FY 21-22 claimed for true up.

- 4) The difference of ₹ 0.33 Lakhs in Form F2 and Note 16 of Financial Statement is due to delay payment charges received of ₹ 0.33 Lakhs has been shown in Note 15 of Financial Statement whereas the same has been shown in Form F2 of the Petition.

In view of above, expenses approved in ARR of FY 2021-22 vis -a -vis Actual expenses as per financial statement of FY 2021-22 are summarized below for Reconciliation / True-up in the ARR for FY 23-24.

**True up of FY 21-22 accounts with FY 21-22 Order :**

**Expenses:**

( Amount in Lakhs of ₹)

Particular	Expenses as allowed in ARR for FY 2021-22	Actual Expenses for FY 2021-22	Differences (Allowed-Actual) to be reconciled
Employee Costs	1258.21	1339.30	-81.09
Administration & general Expenses	235.22	229.95	5.27
Repairs & Maintenance Expenses	228.29	102.67	125.62
<b>Total</b>	<b>1721.72</b>	<b>1671.92</b>	<b>49.80</b>

**Income from other fee & charges:**

The revenue from other fee & charges, comprising of Scheduling & Operation Charges, Connectivity Charges, Application Processing fee & Other Income allowed by the Commission for the FY 2021-22 was ₹ 441.00 Lakhs , the actual income works out to ₹ 445.26 Lakhs as given below :

( Amount in Lakhs of ₹)

Particular	Income as allowed in ARR for FY 2021-22	Actual income for FY 2021-22	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	350.00	340.02	9.98
Connectivity Charges	16.00	8.75	7.25
Application Charges	70.00	92.10	-22.10
<b>Sub Total</b>	<b>436.00</b>	<b>440.87</b>	<b>-4.87</b>
Other miscellaneous receipts as mentioned in Form F2 ( <b>Excluding PSDF Grant (Deferred Income on PSDF Grant and Interest</b>	5.00	4.39	0.61



<b>on SLDC Capex Fund Account)</b>			
<b>TOTAL</b>	441.00	445.26	-4.26

Net amount to be reconciled & adjusted in ARR of FY 2023-24 works out to (49.80– (-4.26) ) i.e. ₹ 54.06 Lakhs.

Further, it is mention that in true up other income has been considered ₹ 4.39 Lakhs excluding Deferred Income on PSDF Grant and Interest on SLDC Capex Fund Bank Account of ₹ 37.13 lakhs and ₹ 18.69 Lakhs accordingly. The Deferred Income on PSDF Grant has not considered in True Up Income as SLDC has not claimed Depreciation on Asset created through PSDF Grant and also Interest Received on Capex Fund Bank account has also not considered as this income is credited to capex Fund Account and it shall be utilized for capital expenditure.

### **PRAYER**

The petitioner most respectfully prays that the Hon'ble Commission be pleased to:-

- i. Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2023-24 as ₹ 1771.62 Lakhs towards revenue expenditure along with True-up for FY 2021-22.
- ii. Issue suitable order for distribution of the Fee and Charges among the licensees using the intra-state transmission system as specified by the state commission.
- iii. Condone any inadvertent omissions/ errors/ short comings and permit SLDC to add /change/ modify /alter this petition and make further submissions as may be required at later stage.
- iv. Pass any other relief which Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case.

Place: Jabalpur.  
Dated :

**( R.K. Gupta )**  
**Superintending Engineer (LD: E&T)**  
**State Load Despatch Centre, Jabalpur**  
**PETITIONER**

**FORMS**

**AND**

**ANNEXURES**

## Annexure-I

### METHODOLOGY AND ASSUMPTIONS ADOPTED FOR VARIOUS COMPONENTS OF SLDC FEE AND CHARGES PROPOSAL

Main components of the proposal for levy & collection of fee and charges by SLDC are summarized below:

#### **1. REVENUE FORM FEE & CHARGES (FORM F1) :**

The total fee & charges is shown as the revenue from, three Distribution Companies, Special Economy Zone (SEZ) Indore & WCR towards SLDC Fee & Charges and revenue from Short Term Open Access Customers towards other charges i.e. Scheduling & Operation charges, Connection & Application processing fee. The total Fee and Charges have been divided among the licensees (long term customers) using the intrastate transmission system in proportion to their allocated transmission capacity to Three Discom, SEZ Indore & WCR as per MYT order regarding determination of Transmission Tariff for MYT control period from FY 2019-20 to FY 2023-24 passed by Hon'ble Commission in Petition No. 45/2020). The summary of Transmission capacity for FY 2023-24 is given below:-

<b>Particulars</b>	<b>East Discom</b>	<b>West Discom</b>	<b>Central Discom</b>	<b>MPIDC (SEZ), Indore</b>	<b>West Central Railway</b>	<b>Total</b>
Long Term Allocation Transmission Capacity (MW)	7518.10	8993.64	8764.27	60.00	340.00	25676.01

The Full capacity of Generation is considered for the Generating companies falling under the jurisdiction of State control area of Madhya Pradesh.

**2. INCOME FROM OTHER INCOME (FORM F2) :** A lump sum provision of ₹ 5.00 lakh has been considered in Form F2, for FY 23-24, recoveries of transport facility, Rental

for Staff quarter/water charges, recovery for telephone charges, Interest on FD & Misc income.

### **3. THE DETAILS OF ENTITIES USING SERVICES OF SLDC (FORM F3) :**

The details of Generating Companies, transmission & Distribution licensees are shown in form F3. Also, the Circuit Kms of EHV lines of MPPTCL as on 31<sup>st</sup> March 2022 spread in Madhya Pradesh State is shown as 40845.37 The circuit kms of EHV lines of M/s Satpura Transco Pvt Ltd (formerly Known as Kalpataru Satpura Transco Private Ltd) as on 31<sup>st</sup> March 2022 spread in Madhya Pradesh state is shown as 480.072.

### **4. EMPLOYEE COST AND PROVISIONS (FORM F4) :**

- (a) The employee cost for FY 23-24 has been worked out for the working strength at SLDC & Sub-LDCs as on 31-10-2022. No provision is made for vacant posts of SLDC and Sub LDCs. The projection has been made on the basis of actual basic pay & Grade pay drawn by officer & employee for the month of October-2022 plus considering One increment w.e.f July-23 and applicable allowance thereon.
  
- (b) The detail of sanctioned, working and vacant position in SLDC as on 31-10-2022 is Annexed as Annexure OC1.

Other main assumptions made for employee expenses are as follows:-

- (i) It is submitted that salary projection of retired employee has been considered up to date of their retirement. The provision for vacant posts is not considered, necessary adjustment for the same shall be made at a later date, if the vacant post are filled up during Ensuing Year.
  
- (ii) At present, State Govt. has paid the DA @ 34% and Central Government are paying DA @ 38% from w.e.f July-2022. hence, SLDC has considered increase in DA in FY 2023-24, @ 41% for first three months, @ 44% for Six months and @ 47% for three months. It is requested to Hon'ble Commission that actual DA may be considered in true-up.

- (iii) Medical reimbursement for Ensuing Year has been considered @500/- pm per employee.
- (iv) Company Contribution for National Pension Scheme (NPS) @ 14% of Basic plus Grade pay plus DA is being contributed by the company for officers/employees who have been appointed in Company Cadre. Accordingly, NPS provision is made in Employee Cost Projection for ensuing year,
- (v) The company contribution @ 16.25% ( towards Provident Fund 13% (Including the Administrative charges) and Employer contribution towards ESIC on salary of contract employee is also considered in employee cost for ensuing year 2023-24.
- (vi) The projection towards training expenses have been made considering training requirements for SCADA/EMS, Wide Area Management PMU's based, Unified real time Dynamic measurement system (URTDSM), Renewable Energy Management Centre (REMC), Security Constraint Economic Dispatch (SECD), Wide Band Communication Systems, IT & Computer systems, Cyber Security and Information Security Management System (ISMS), RE forecasting, AGC, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) etc. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs has also been made during FY 2023-24
- (vii) The provision towards Ex-Gratia/bonus for ARR for Ay 2023-24 is not considered, however, it is requested that Hon'ble commission may kindly consider, if it is required to be paid by SLDC in True- up process for FY 2023-24. Hon'ble Commission in the order for SLDC fee & charges for the previous years has not allowed provisions for Ex-Gratia/bonus, no such provisions are made in ARR for FY 23-24.
- (viii) The provision towards leave encashment at retirement has been considered for 3 no. officer/employee who are retiring the during the FY 2023-24.

- (ix) Terminal benefits have not been considered in the ARR as per directives of MPERC in the order for SLDC Fee & charges petition for the FY 2006-07.
- (x) Provision for certification-retainer-ship incentive is made in employee cost for FY 2023-24 of ₹ 149.93 Lakhs for system operators as per CERC order dated 15.03.2022

#### **5. ADMINISTRATION & GENERAL EXPENSES:**

The A&G expenses for the Ensuing Year have been worked out considering the following:-

- (i) **Rates & Taxes:-** At present Sub-LDC Bhopal (Back-up SLDC has paid municipal Tax. Accordingly, projection towards expenditure for municipal tax is considered for FY 2023-24.
- (ii) **Insurance:** A lump sum provision of ₹ 0.22 Lakhs has been made towards insurance charges during ensuing year.
- (iii) **Telephone Expenses:** The communication facilities provided through common pool services are not considered. However, the expenses towards additional communication facility whose payment is made directly from SLDC/Sub LDC officers are included. The details of the proposed expenses are annexed herewith as Annexure AG1.
- (iv) **Consultancy Charges:** The projections towards consultancy charges have been kept for obtaining consultancy services regarding Information Security Management System (ISMS) deployment of Honey pots/preparation of Fire plan, energy Audit & preparation of scheme for upcoming projects like Wide Area Management System (WAMS)/Wide band Communication system/ Renewable Energy Management System/SECD/AGC related works, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) and for building renovation & modernization activity.
- (v) **Travel expenses:** The SLDC official are required to travel for various meeting like OCCM (WRPC & State), RPC, Protection Committee, for hearing MPERC, CERC,

Appellate Tribunal & Court cases. The traveling is also required for works related with implementation of various project and attending faults in systems & equipments. The projections towards travel expenses has been taken considering increased travel due to implementation of various new projects like Master telecom project, replacement of SCADA/EMS, URTDSM project/REMC project, SCED, AGC, deployment of Honey Pots, cyber security related works, works related with integration of AMR into SCADA, mock drill of SCADA and other systems and for various levels of system operation trainings.

- (vi) **Hiring of Vehicle:** Presently 4 number vehicle are hired for SLDC i.e. one for Chief Engineer (SLDC), one for SE(LD:E&T) and one each for Backup SLDC, Bhopal & Sub-LDC Indore and hiring of one vehicle for SE(Operation) is under process. Accordingly, the projection towards hiring of Five number vehicle is considered for FY 2023-24.
- (vii) **Security / Service Charges:** SLDC has already been provided with two armed security guards round the clock deployed through outsourcing. Similarly, one Unarmed security guard round the clock is deployed at Backup SLDC/ Sub-LDC Bhopal. The projection towards security charges for ensuing year has been considered on the basis of prevailing wages for skilled workers for SLDC and unskilled workers for Backup-SLDC / Sub-LDCs Bhopal.
- (viii) **MPERC Annual fee WRPC Fee:** - The projection for the FY 2023-24 is taken Rs 2.00 lakhs. The projection is taken mainly the amount towards MPERC Fee and incidental charges if required to pay WRPC charges.
- (ix) **Stationery Expenses:** The stationery expenses has been worked out considering the future increase in requirements due to Generation of various reports, increased responsibilities of Capital works, ABT/OA, EA, regulatory & legal issues etc.
- (x) **Electricity Expenses:** - The projection towards Electricity expense for SLDC and Back-up SLDC of ₹ 85.69 lakhs has been considered in FY 2023-24. However, the projection of electricity expenditure of Sub-LDC, Indore are not considered as the same is not adjusted with SLDC fee and Charges. It is

requested that Hon'ble commission may kindly approve electricity charges for Sub-LDC Indore during the true-up process for FY 2023-24, if it is booked under the head of electricity expenses. Hence at present electricity charges of SLDC Building of Jabalpur and Back-up SLDC, Bhopal has been worked out and considered in Form F5.

- (xi) **Work Outsource Expenses & House Keeping Charges:-** Presently, SLDC has taken services of Sixteen no of computer operators (6 in highly Skill and 8 in skill category and 2 in Semi skill category out of highly skill computer operators 4 operators are working in shift) through Man Power supplier Contract also SLDC has also considered projection of 2 no. Computer Operator against retired employee. Accordingly, the projection towards outsource of Eighteen no of computer operators of ₹ 40.21 Lakhs for the FY 2023-24 is considered in A&G expenses.

Further, the projection towards House keeping charges for 13 no. of unskilled workers has also been considered for SLDC (8 No.), Bhopal (3 No.) and Indore (2 No.) on the basis of prevailing wages for unskilled workers for SLDC, Jabalpur, Backup-SLDC, Bhopal and Sub-LDC Indore. Accordingly, the projection towards housekeeping charges of ₹ 23.50 Lakhs for the FY 2023-24 is considered in A&G expenses.

It is to mention that earlier charges of housekeeping have been considered in R&M Head. Now, due to change in account code, these expenses have been considered in A&G Head.

- (xii) **Entertainment expenses:** The entertainment expenses have been worked out considering the requirements due to increased responsibilities of SLDC.

- (xiii) **Legal Expenses:** The legal expenses have been worked out considering various legal issues and regulatory matters.

## **6. REPAIR & MAINTENANCE EXPENSES (FORM F6):**



The Repair & Maintenance projections for Ensuing Year have been worked out considering the R&M expenses of SLDC, Sub-LDC Indore & Backup SLDC Bhopal. The R&M projection include maintenance charges of SCADA/EMS, Wideband Communication system, URTDSM system, REMC system, ABT, OA and MIS system, maintenance of Auxiliary Power Supply system comprising of UPS, battery banks and Diesel Generator Sets, Air Conditioning plant and split air conditioners, video projection system, three no video conference system, fire alarm system, voice recording system, CCTV based surveillance system, maintenance of office equipment, maintenance of building & system support services and the house keeping of backup SLDC building at Bhopal and Sub-LDC building at Indore are considered in R&M expenses for FY 2023-24.

#### **7. PROVISION FOR DEPRECIATION (FORM F7) / ASSETS NOT IN USE (FORM F7A) :**

As per GoMP notification No. 292 dated 12<sup>th</sup> June 2008 regarding final opening balance sheet of MPPGCL, MPPTCL, Discoms and residual MPSEB, the assets of SLDC (₹ 242.80 as on 1<sup>st</sup> June 2005) are included in the assets of MPPTCL and no separate balance sheet is notified for SLDC. As per order passed by MPERC for SLDC fee & Charges for FY 2007-08, the expenses towards Depreciation, Interest on Loan, Return on Equity (ROE) & Income tax shall be payable based on actual equity employed by SLDC/allocated to SLDC. The provisions for Depreciation, ROE & Income Tax were not allowed for FY 2008-09. Accordingly, no provisions are made for ROE, Depreciation & Income Tax in the ARR for FY 2023-24.

However, to have a tentative assessment, the depreciation on SLDC assets is worked out based on the assets identified by the GoMP and the assets added subsequently. The depreciation has been worked out as per depreciation rates notified by Central Electricity Regulatory Commission notification dated 19-01-09 and GOI, Ministry of Corporate Affair and General, Circular No.51/23/2011-CL-III dated 31-05-11. The ROE has been calculated with normative debt to equity ratio as 70:30.

#### **8. INTEREST & FINANCE CHARGES (FORM F8):**

The interest and finance charges comprise of only one component i.e. Interest on working capital. The Capex requirement of SLDC shall be met from 50% amount of Scheduling & Operation charges retained for infrastructure development of SLDC as

per MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004.

**9. TARIFF FORMS (FORM T1A, T1B, T1C):**

The proposed fee and charges are indicated in the form T1b & T1c.

**10. SUMMARY FORMS (FORMS S1 TO S6):**

These forms have been prepared on the basis of information derived from forms F1-F15. In the reasonable return (Form S5), the equity is calculated based on normative

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