

Jharkhand State Electricity Regulatory Commission



Order on
Petition for True Up for FY 2020-21, FY 2021-22, FY 2022-23
APR for FY 2023-24 and ARR for FY 2024-25
&
SLDC charges for FY 2024-25
for
STATE LOAD DESPATCH CENTRE (SLDC), JUSNL
Kusai Colony, Ranchi-834010
April 30, 2025



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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CWIP	Capital Work in Progress
BOQ	Bill of Quantity
CEA	Central Electricity Authority
COD	Date of Commercial operation
DPR	Detailed Project Report
EA	Electricity Act
FAR	Fixed Asset Register
FY	Financial Year
GFA	Gross Fixed Assets
GOI	Government of India
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JBVNL	Jharkhand Bijli Vitaran Nigam Limited
JUSNL	Jharkhand Urja Sancharan Nigam Limited
JUVNL	Jharkhand Urja Vikas Nigam Limited
JUUNL	Jharkhand Urja Utpadan Nigam Limited
IDC	Interest During Construction
IOWC	Interest on Working Capital
kWh	Kilowatt-Hour
MAT	Minimum Alternative Tax
MU	Million Units
MW	Megawatt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operation and Maintenance
PAF	Plant Availability Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLDC	State Load Dispatch Centre
SLM	Straight Line Method



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BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (Tariff) No.: 07 of 2024

In the matter of:

Petition for

True up for FY 2020-21, FY 2021-22, FY 2022-23, APR for FY 2023-24 & ARR for FY 2024-25 for SLDC, JUSNL

In the matter:

State Load Despatch Centre, JUSNL

Kusai Colony, Ranchi-

834010..... **Petitioner**

PRESENT

Shri Mr.Mahendra Prasad

Shri Mr.Atul Kumar

Member (Law)

Member (Technical)

**Order dated
30th April, 2025**

State Load Despatch Centre (hereinafter referred to as 'SLDC' or 'thePetitioner') has filed the Petition dated September 30, 2024 for approval of True Up for FY 2020-21, FY 2021-22, FY 2022-23, APR for FY 2023-24 & ARR for FY 2024-25 along with SLDC charges for FY 2024-25.

Chapter 1 : INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the 'JSERC' or 'the Commission') was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:
 - a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
 - b) to determine the tariff payable for the use of the transmission facilities in the manner provided in section 29;
 - c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
 - d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3 After the Electricity Act, 2003 (hereinafter referred to as the 'Act') came into force, the earlier Electricity Regulatory Commissions Act, 1998 stands repealed and the functions of SERCs are now defined under Section 86 of the Act.
- 1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:
 - a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
 - b) Provided that where open access has been permitted to a category



of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- c) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- d) facilitate intra-State transmission and wheeling of electricity;
- e) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- f) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- g) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- h) levy fee for the purposes of this Act;
- i) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- j) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- k) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- l) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission has to also advise the State Government as per sub

section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- a) promotion of competition, efficiency and economy in activities of the electricity industry;
- b) promotion of investment in electricity industry;
- c) reorganization and restructuring of electricity industry in the State;
- d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.7 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:

- a) ensure availability of electricity to consumers at reasonable and competitive rates;
- b) ensure financial viability of the sector and attract investments;
- c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- d) promote competition, efficiency in operations and improvement in quality of supply.

State Load Despatch Centre, JUSNL

1.8 The Energy Department, Government of Jharkhand, vide its Letter No. 1/Board-01- Urja-26/13 -1745 dated 28th June 2013 unbundled the erstwhile JSEB into following companies:

- a. **“Jharkhand Bijli Vitran Nigam Ltd”**, means the Distribution Company to which the Distribution Undertakings of the Board are transferred in accordance with this Scheme.



- b. **“Jharkhand Urja Utpadan Nigam Ltd”** means the Generating Company to which the Generating Undertakings of the Board are transferred in accordance with this Scheme;
- c. **“Jharkhand Urja Sancharan Nigam Ltd”** means the Transmission Company to which the Transmission Undertakings of the Board are transferred in accordance with this Scheme;
- d. **“Jharkhand Urja Vikas Nigam Ltd”** means the Company that owns all shares of newly incorporated reorganized three companies i.e. Jharkhand Urja Utpadan Nigam Ltd, Jharkhand Urja Sancharan Nigam Ltd and Jharkhand Bijli Vitran Nigam Ltd;
- 1.9 Jharkhand Urja Sancharan Nigam Ltd. (herein after to be referred to as “JUSNL” or “the Petitioner”) was incorporated on 23rd October 2013 with the Registrar of Companies, Jharkhand, Ranchi and has obtained Certificate of Commencement of Business on 28th November 2013. The Petitioner is a Company constituted under the provisions of Government of Jharkhand, General Resolution as notified by transfer scheme vide notification no. 8, dated 6th January 2014. The Transmission Company -Jharkhand Urja Sancharan Nigam Ltd. is duly registered with the Registrar of Companies, Ranchi on 23rd October 2013.
- 1.10 JUSNL is a Transmission Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to establish or operate transmission lines in the State of Jharkhand.
- 1.11 The State Load Despatch Centre is a Centre established by the State Government to be operated by a government company or any Authority or Corporation established or constituted by or under the State Act, as may be notified by the State Government.
- 1.12 Section 31 of the Electricity Act, 2003, provides for constitution of State Load Despatch Centre (SLDC). The section 31 of Electricity Act, 2003 is reproduced below:
- “31. (1) The State Government shall establish a Centre to be known as the State Load Despatch Centre for the purposes of exercising the powers and discharging the functions under this Part.*
- (2) The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or*

under any State Act, as may be notified by the State Government.

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

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

- 1.13 As no Separate entity either in the form of Government company or authority or corporation has been notified by the State Government, the State Transmission utility namely Jharkhand Urja Sancharan Nigam Limited (JUSNL) is operating the State Load Despatch Centre (SLDC).
- 1.14 The Petitioner has filed the petition before the Commission for True up for FY 2020-21, FY 2021-22, FY 2022-23 Annual Performance Review (APR) of FY 2023-24, estimating the Annual Revenue Requirement (ARR) for FY 2024-25 and SLDC Charges for FY 2024-25.
- 1.15 The Petitioner has prepared the petition in accordance with the provisions of Section 32, 61 and 62 of the Electricity Act, 2003 and has taken into consideration the Jharkhand State Electricity Regulatory Commission (Levy and Collection of Fees and Charges by SLDC) Regulations, 2020, and amendments thereof.

Petitioner's Prayer

- 1.16 The Petitioner in the Filing of Petition for True up for FY 2020-21, FY 2021-22, FY 2022-23, Annual Performance Review (APR) of FY 2023-24, estimating the Annual Revenue Requirement (ARR) for FY 2024-25 and SLDC Charges for FY 2024-25 has prayed following before the Commission:
- a) Admit the instant Petition;
 - b) Examine the proposal submitted by the Petitioner in the enclosed petition for a favorable dispensation;
 - c) Approve the Annual Revenue Requirement (ARR) for FY 2024-25 under Jharkhand State Electricity Regulatory Commission (Levy and



Collection of Fees and Charges by SLDC) Regulations, 2020, other amendments and orders issued by the Commission from time to time;

- d) Pass suitable Orders with respect to the True up for FY 2020-21, FY 2021-22, FY 2022-23, Annual Performance Review (APR) of FY 2023-24, estimating the Annual Revenue Requirement (ARR) for FY 2024-25 and SLDC Charges for FY 2024-25 and allow recovery of the revenue gap in terms of additional tariff to the current tariff;
- e) Pass separate Order for the Petitioner against the present petition;
- f) SLDC may also be permitted to propose suitable changes to the respective ARR, prior to the final approval by the Commission. SLDC believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification;
- g) Condone any inadvertent omissions / errors / shortcomings and permit SLDC to add / change / modify / alter this filing and make further submissions as may be required at a future date;
- h) Pass such Order, as the Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;

Chapter 2 : PROCEDURAL HISTORY

2.1 The Petitioner i.e. SLDC (JUSNL) has filed the following Petitions before the Commission:

- a) True up for FY 2019-20, Annual Performance Review for FY 2020-21.
- b) Business Plan for the period FY 2021-22 to FY 2025-26.
- c) ARR for MYT control period FY 2021-22 to FY 2025-26 & SLDC charges for FY 2021-22.
- d) True up for FY 2020-21, FY 2021-22, FY 2022-23, Annual Performance Review (APR) of FY 2023-24, estimating the Annual Revenue Requirement (ARR) for FY 2024-25 and SLDC Charges for FY 2024-25.

Information Gaps in the Petition

- 2.2 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide letter no. JSERC/ Case (Tariff) No 7 of 2024/388, dated 16.10.2024.
- 2.3 In response the Petitioner furnished additional data/information to the Commission vide letter no: Ref 479/SLDC, Ranchi dated 01/11/2024.
- 2.4 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner with respect to its discrepancies identified and has considered the same while passing this order.
- 2.5 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission held Public Hearing on 12.03.2025.

Inviting Public Comments/Suggestions

- 2.6 On scrutiny of the Petition, the Commission directed the Petitioner to publish a Public Notice inviting comments/suggestions from public and to make available copies of the Petition to the members of general public on request.
- 2.7 Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

Table 1 List of newspapers and dates of publication of public notice by the Petitioner

Newspaper	Language	Date of Publication
Dainik Bhaskar	Hindi	10.12.2024 & 11.12.2024
Dainik Jagran	Hindi	10.12.2024 & 11.12.2024
Hindustan	Hindi	10.12.2024 & 11.12.2024
Hindustan Times	English	10.12.2024 & 11.12.2024
Prabhat Khabar	Hindi	10.12.2024 & 11.12.2024
The Times of India	English	10.12.2024 & 11.12.2024

- 2.8 The Commission has also published a Public Notice on its website www.jsesc.org and various newspapers confirming the date of conducting public hearing on the Petition giving time to various Stakeholders to submit their comments/suggestions. Accordingly, the Commission had also organized a Public Hearing on March 12, 2025 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above Petition. The details of newspapers wherein the Notice was published by the Commission are as under:

Table 2: List of newspapers and dates of publication of Public Notice by the Commission

Newspaper	Language	Date of Publication
Hindustan	Hindi	28.02.2025
Dainik Jagran	Hindi	11.03.2025
Dainik Bhaskar	Hindi	28.02.2025 & 11.03.2025
The Times of India	English	28.02.2025 & 11.03.2025
Hindustan Times	English	28.02.2025 & 11.03.2025

Submission of Comments/Suggestions and Conduct of Public Hearing

- 2.9 Comments/Suggestions on the Petition were received from various Stakeholders. The Comments/Suggestions of the Public, Petitioner's Responses and Commission's views thereon are detailed in **Chapter 4** of this Order.

Chapter 3 : BRIEF FACTS OF THE PETITION

3.1 The following chapter summarizes the petition submitted by the Petitioner for true-up of FY 2020-21, FY 2021-22, FY 2022-23, APR of FY 2023-24 and ARR for FY 2024-25.

True-up for FY 2020-21

3.2 The summary of Aggregate Revenue Requirement for FY 2020-21 as submitted by the Petitioner is shown in the table below:

Table 3 Summary of ARR for FY 2020-21 as submitted by the Petitioner (Rs.Cr)

S. No	Particulars	Order dated 06.06.2024	Claim
1	O&M Expense	4.21	4.52
2	Depreciation	0.11	0.11
3	Interest on Working Capital Loans	0.19	0.22
4	Total	4.51	4.84
5	Less:		-
6	Non-Tariff Income	0.08	0.04
7	Annual Revenue Requirement	4.43	4.81

3.3 The Summary of Revenue gap/(surplus) as submitted by the Petitioner for FY 2020-21 is shown in the table below:

Table 4 Summary of gap/(surplus) as submitted by the Petitioner for FY 2020-21 (Rs.Cr)

S. No.	Particulars	Order dated 06.06.2024	Claim
1	Annual Revenue Requirement	4.43	4.81
2	Total Revenue	-	-
3	Revenue gap/(surplus)	4.43	4.81

True-up for FY 2021-22

3.4 The summary of Aggregate Revenue Requirement for FY 2021-22 as submitted by the Petitioner is shown in the table below:

Table 5 Summary of ARR for FY 2021-22 as submitted by the Petitioner (Rs.Cr)

S. No	Particulars	Order dated 06.06.2024	Claim
1	O&M Expense	4.66	5.48
2	Depreciation	0.09	0.11
3	Interest on Working Capital Loans	0.10	0.13

S. No	Particulars	Order dated 06.06.2024	Claim
4	Total	4.84	5.72
5	Less:	-	-
6	Non-Tariff Income	0.09	0.03
7	Annual Revenue Requirement	4.76	5.69

3.5 The Summary of Revenue gap/(surplus) as submitted by the Petitioner for FY 2021-22 is shown in the table below:

Table 6 Summary of gap/(surplus) as submitted by the Petitioner for FY 2021-22 (Rs.Cr)

S. No.	Particulars	Order dated 06.06.2024	Claim
1	Annual Revenue Requirement	4.76	5.69
2	Total Revenue	-	-
3	Revenue gap/(surplus)	4.76	5.69
4	Previous Years Gap/ (surplus)		4.81
5	Total Gap/ (Surplus)		10.50

True-up for FY 2022-23

3.6 The summary of Aggregate Revenue Requirement for FY 2022-23 as submitted by the Petitioner is shown in the table below:

Table 7 Summary of ARR for FY 2022-23 as submitted by the Petitioner (Rs.Cr)

S. No	Particulars	Order dated 06.06.2024	Claim
1	O&M Expense	5.14	6.37
2	Depreciation	0.10	0.11
3	Interest Cost	0.01	0.00
4	Interest on Working Capital Loans	0.11	0.15
5	Total	5.36	6.63
6	Less:	-	-
7	Non-Tariff Income	0.09	0.11
8	Annual Revenue Requirement	5.27	6.51

3.7 The Summary of Revenue gap/(surplus) as submitted by the Petitioner for FY 2022-23 is shown in the table below:

Table 8 Summary of gap/(surplus) as submitted by the Petitioner for FY 2022-23 (Rs.Cr)

S. No.	Particulars	Order dated 06.06.2024	Petition
1	Annual Revenue Requirement	5.27	6.51
2	Total Revenue	-	-
3	Revenue gap/(surplus)	5.27	6.51

S. No.	Particulars	Order dated 06.06.2024	Petition
4	Previous Years Gap/ (surplus)		10.50
5	Total Gap/ (Surplus)		17.01

Annual Performance Review (APR) for FY 2023-24

3.8 The Summary of Aggregate Revenue Requirement as submitted by the Petitioner for FY 2023-24 is shown in the table below:

Table 9 Summary of Aggregate Revenue Requirement as submitted by the Petitioner for FY 2023-24(Rs.Cr)

S.No	Particulars	Order dated 06.06.2024	Petition
1	O&M Expense	5.31	6.59
2	Depreciation	0.63	0.09
3	Interest on Loan	0.42	0.00
4	Interest on Working Capital Loans	0.13	0.19
5	Total	6.49	6.87
6	Less:	-	-
7	Non-Tariff Income	0.10	0.12
8	Annual Revenue Requirement	6.38	6.75

3.9 The Summary of Revenue gap/(surplus) as submitted by the Petitioner for FY 2023-24 is shown in the table below:

Table 10 Summary of gap/(surplus) as submitted by the Petitioner for FY 2023-24 (Rs.Cr)

S.No	Particulars	Order dated 06.06.2024	Petition
1	Annual Revenue Requirement	6.38	6.75
2	Total Revenue	-	-
3	Revenue gap/(surplus)	6.38	6.75
4	Previous Years Gap/ (surplus)		17.01
5	Total Gap/ (Surplus)		23.76

Aggregate Revenue Requirement (ARR) projected by the Petitioner for FY 2024-25

3.10 The Summary of ARR projected by the Petitioner for the FY 2024-25 is shown in the table below:

Table 11 Summary of ARR for FY 2024-25 as projected by the Petitioner (Rs.Cr)

S.No	Particulars	Order dated 06.06.2024	Petition
1	O&M Expense	6.09	7.02

S.No	Particulars	Order dated 06.06.2024	Petition
2	Depreciation	1.14	0.83
3	Interest Cost on Long-term Capital Loans	0.75	0.90
4	Interest on Working Capital Loans	0.16	0.23
5	Total	8.14	8.98
6	Less:	-	-
7	Non-Tariff Income	0.10	0.13
8	Annual Revenue Requirement	8.04	8.86

3.11 The Summary of monthly SLDC charges for FY 2024-25 as submitted by the Petitioner is shown in the table below:

Table 12 Summary of SLDC charges as submitted by the Petitioner for FY 2024-25

S.No	Particulars	Petition
1	Aggregate Revenue Requirement (Rs.Crore)	32.61
2	Contracted Capacity (MW)	3491.73
3	Monthly SLDC Charges (Rs./MW/Month)	7783.02



Chapter 4 : PUBLIC CONSULTATION PROCESS

4.1 A Public Hearing was held by the Commission on 12th March, 2025 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition for ensuring maximum public participation and transparency. Accordingly, the list of the attendees is attached in **Chapter-12** of this Order.

The Commission has not received any written comments/suggestions from the stakeholders arising out from the public hearing hence no comments has been mentioned in this chapter.

Chapter 5 : TRUE UP FOR FY 2020-21.

- 5.1 The Petitioner has submitted that the true-up petition for FY 2020-21 has been prepared based on the audited trial balance for the FY 2020-21 from the audited annual accounts of JUSNL since SLDC does not have separate accounts as on date and at present is being operated by JUSNL. The Petitioner has also submitted that the annual accounts of JUSNL for FY 2020-21 has been audited by the Comptroller and Auditor General of India (CAG).
- 5.2 The Commission while conducting the true-up of FY 2020-21 has taken into consideration the following:
- (a) Audited trial balance extracted for FY 2020-21 based upon the audited annual accounts of JUSNL for FY 2020-21.
 - (b) Principles and provisions laid down in the JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015.
 - (c) Materials submitted before the Commission.
- 5.3 The component-wise details, filed by the Petitioner and the Commission's analysis and discussion is dealt with in the following paragraphs.

Gross Fixed Asset

Petitioners Submission

- 5.4 The Petitioner, in the true-up petition, has claimed and submitted the opening GFA as per the audited trial balance for FY 2020-21. The Petitioner has also submitted that the GFA comprises of plant and machinery and office equipment.
- 5.5 The Petitioner has submitted the opening and closing balance of GFA for FY 2020-21 as per the audited trial balance, as shown in the table below:

Table 13 Gross Fixed Asset (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Commissions Analysis

5.6 The Commission upon scrutinizing and verifying the documents submitted by the Petitioner approves the gross fixed asset for FY 2020-21 as mentioned in the table below:

Table 14 Gross Fixed Asset(Rs.Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Operation and Maintenance Expenses

Petitioners Submission

5.7 The Petitioner has submitted details of O&M expenses comprising of Employee Expense, A&G Expense and R&M Expense.

5.8 The Petitioner has referred to clause 2.1 of the JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015 which defines O&M expenses as follows:

“2.1 (33) “Operation and Maintenance Expenses” or “O&M Expenses” means the expenditure incurred on operation and maintenance of the project, or part thereof, and includes the expenditure on manpower, repairs, spares, consumables, insurance and overheads;

5.9 The Petitioner has clarified that the employee expenses as submitted primarily includes cost towards salaries, dearness allowances, bonus, staff welfare, medical benefits, leave travel, earned leave encashment and terminal benefits in the form of pension, gratuity etc.

5.10 The Petitioner has also clarified that the Administrative and General

expense, as submitted primarily consists of cost towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

5.11 The Petitioner has also mentioned that the R&M expenses, as submitted consists of costs related to repair of different class of fixed assets.

5.12 The Petitioner has mentioned that it has claimed employee expense, administrative and general expense and repair and maintenance expense as per the audited trial balance for FY 2020-21.

5.13 The Petitioner has submitted O&M expenses for FY 2020-21 as mentioned in the table below:

Table 15 O&M expense (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claim
1	Employee expense	3.78	4.09
2	R&M expense	0.32	0.33
3	A&G expense	0.11	0.11
4	Total O&M expense (Rs.Cr)	4.21	4.52

Commissions Analysis

5.14 The Commission referring to clause 7.34 to clause 7.36 of the JSERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2015 which specifies as follows:

“7.34 Operation and Maintenance (O&M) expenses shall comprise of the following:

(a) Salaries, wages, pension contribution and other employee costs;

(b) Administrative and General costs;

(c) Repairs and maintenance expenses; and

(d) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax).

7.35 The Applicant shall submit details on O&M expenses as required by the Commission. The O&M expenses for the Base Year shall be approved by the Commission taking into account the audited accounts, business plan filed by the Licensees, estimates of the actuals for the Base Year, prudence check and any

other factor considered appropriate by the Commission.

7.36 O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below: (

$$a) O\&M_n = (R\&M_n + EMP_n + A\&G_n) * (1 - X_n) + \text{Terminal liabilities}$$

Where, $R\&M_n = K * GFA$;

$$EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}); \text{ and}$$

$$INDX = 0.55 * CPI + 0.45 * WPI \text{ Where}$$

(b) $R\&M_n$ – Repair and Maintenance Costs of the Licensee for the n th year;

(c) $A\&G_n$ – Administrative and General Costs of the Licensee for the n th year;

(d) EMP_n – Employee Costs of the Licensee excluding terminal liabilities for the n th year;

(e) X_n is an efficiency factor for n th year. Value of X_n shall be determined by the Commission in the MYT Tariff order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate.

(f) 'K' is a constant (expressed in %) governing the relationship between $R\&M$ costs and Gross Fixed Assets (GFA) and will be calculated based on the % of $R\&M$ to GFA of the preceding year of the Base Year;

(g) 'GFA' is the opening value of the gross fixed asset of the n th year;

(h) $INDX_n$ – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

Note 1: For the purpose of estimation, the same $INDX_n$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $INDX_n$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies."

5.15 The Commission referring to the provisions mentioned in the above

regulations and after scrutinizing the submission of documents and information's provided by the Petitioner and after consideration and analyzing the audited accounts submitted by the Petitioner, approves O&M expense giving due consideration to the submissions of the Petitioner, interest of all stakeholders and assessment of the actual costs incurred by the Petitioner during the year. Accordingly, the Commission approves the total O&M expenses for the year FY 2020-21, as given below:

Table 16 O&M Expense(Rs.Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	Employee Salaries, allowance. medical expense etc.	3.75	3.75
2	Terminal Liability	0.34	0.34
3	Total Employee expense	4.09	4.09
4	R&M expense	0.33	0.33
5	A&G expense	0.11	0.11
6	Total O&M expense (Rs.Cr)	4.51	4.51

Depreciation

Petitioners Submission

- 5.16 The Petitioner has mentioned that the Commission has notified the rates for asset wise depreciation in the JSERC Transmission Regulations, 2015 and the same has been considered for calculation of depreciation for the year.
- 5.17 The Petitioner has mentioned that in line with clause 7.25 to clause 7.30 of the JSERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2015 the method for calculation of the depreciation on GFA is referred below:

“Depreciation

*7.25 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission;
Provided that depreciation shall not be allowed on assets funded by any capital*

subsidy / grant:

7.26 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.

7.27 Land other than land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset...”

5.18 The Petitioner has calculated depreciation in annual accounts based on the provisions mentioned above.

5.19 The Petitioner has calculated the detailed depreciation and claimed the same as mentioned in the table below:

Table 17 Depreciation expense (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03
4	Average GFA	2.03	2.03
5	Depreciation during the year (Rs.Cr)	0.11	0.11

Commissions Analysis

5.20 The Commission referring to clause 7.25 to clause 7.20 of the JSERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2015 which specifies as below:

“Depreciation

7.25 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission; Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant:

7.26 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.

7.27 Land other than land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

7.28 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates specified in Appendix-I to these Regulations for the assets of the Transmission System; Provided that, the remaining depreciable value as on 31st March of the Year closing after a period of 12 Years from the Date of Commercial

operation shall be spread over the balance useful life of the assets.

7.29 In case of the Existing Projects, the balance depreciable value as on 1.4.2016 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2016 from the gross depreciable value of the assets.

The rate of depreciation shall be continued to be charged at the rate specified in Appendix-I till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

7.30 Depreciation shall be chargeable from the first Year of commercial operation. In case of commercial operation of the asset for part of the Year, depreciation shall be charged on pro rata basis.”

- 5.21 The Commission has also noted the fact that the Petitioner has not maintained fixed asset register and is in the process of reconciling the same.
- 5.22 The Commission has reviewed the depreciation details as provided by the Petitioner and has also checked the audited accounts as submitted by the Petitioner for FY 2020-21.
- 5.23 The Commission accordingly approves depreciation as per the audited figures submitted for FY 2020-21, as mentioned in the table below:

Table 18 Depreciation expense (Rs Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	Depreciation (Rs.Cr)	0.11	0.11

Interest on Working Capital

Petitioner's Submission

- 5.24 The Petitioner has referred to clause 7.31 of the JSERC Transmission Tariff Regulations, 2015 which provides methodology for calculation of normative working capital as depicted below:

“Working Capital

7.31 The Commission shall determine the Working Capital requirement containing the following components:

- (a) Maintenance spares @ 15% of the O&M expenses specified in clauses 7.34-7.36 of these Regulations;
- (b) Receivables equivalent to two months of annual fixed cost; and
- (c) Operation and Maintenance expenses for one month
- (d) Less: Interest on amount, if any, held as security deposits from Transmission system users.”

5.25 The Petitioner has also referred to clause 7.32 and clause 7.33 of the JSERC Transmission Tariff Regulation, 2015 which provides methodology for calculation of interest rate for calculation of IoWC as depicted below:

“Interest on Working Capital

7.32 Rate of interest on working capital shall be on normative basis and shall be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which true up exercise has been undertaken.

7.33 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”.

- 5.26 The Petitioner has also submitted that it has arrived at the working capital requirement according to the applicable norms for Transmission function as provided in the JSERC Transmission Tariff Regulations, 2015.
- 5.27 The Petitioner in line with the above-mentioned regulations has considered actual SBI base rate prevailing on 1st April, 2020 (i.e. 8.15%) plus 350 basis points and has submitted interest on working capital as mentioned in the table below:

Table 19 IoWC (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claim
1	O&M expenses for one month	0.35	0.38
2	15% of O&M expenses as Maintenance spares	0.63	0.68

3	2 months receivables of Annual Fixed Charges	0.74	0.80
4	Total Working Capital Requirement	1.72	1.86
5	Interest on Working Capital (Rs.Cr)	0.19	0.22

Commissions Analysis

5.28 The Commission referring to clause 7.32 and clause 7.33 of the JSERC (Terms and Conditions of Determination of Transmission Tariff) Regulations, 2015 which specifies as follows:

“Interest on Working Capital

7.32 Rate of interest on working capital shall be on normative basis and shall be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken.

7.33 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”

5.29 Accordingly, the Commission after scrutinizing the information's and documents submitted by the Petitioner and after prudence check of the audited data and as per clauses mentioned in above para of Transmission Tariff Regulations, 2015, has approved interest on working capital for the FY 2020-21 as per the below table:

Table 20 IoWC (Rs.Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	O&M expenses for one month	0.38	0.38
2	15% of O&M expenses as Maintenance spares	0.68	0.68
3	2 months receivables of Annual Fixed Charges	0.80	0.80
4	Total Working Capital Requirement	1.86	1.86

5	Interest Rate applicable	11.65%	11.25%
6	Interest on Working Capital (Rs.Cr)	0.22	0.21

Non-Tariff Income

Petitioners Submission

5.30 The Petitioner has referred to clause 7.38 and clause 7.39 of the JSERC Transmission Tariff Regulations, 2015 which specifies that non-tariff income derived from disposal of assets, rent, DPS, miscellaneous receipts from the beneficiaries are to be deducted from the ARR. The Petitioner has highlighted the relevant extract from the said regulations as mentioned below:

“Non-Tariff Income

7.38 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, miscellaneous receipts from the Beneficiaries shall constitute Non-Tariff Income of the Licensee.

7.39 The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee.”

5.31 In line with the above-mentioned provisions of the regulation the Petitioner has claimed non-tariff income as per the trial balance and has requested the Commission to approve the non-tariff income as mentioned in the table below:

Table 21 Non –Tariff Income (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claimed
1	Non-Tariff Income	0.08	0.04

Commissions Analysis

5.32 The Commission has scrutinized the non-tariff income of the Petitioner from the audited accounts submitted and has found that it has accrued

income through sources like interest from banks (other than F.D.) and miscellaneous receipts. The Commission referring to clause 7.38 and clause 7.39 of JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015 and considering the submission made by the Petitioner has considered and approved the Non-Tariff Income for FY 2020-21 as given in the table below:

Table 22 Non-Tariff Income (Rs.Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	Non-Tariff Income	0.04	0.04

Revenue from Operations

Petitioners Submission

5.33 The Petitioner has stated that as JUSNL is still running the operations of SLDC, hence no separate tariff has been notified by the Commission for SLDC for the FY 2020-21. Hence there is no revenue from operations for SLDC for FY 2020-21.

Commissions Analysis

5.34 The Commission has taken a note of the submission made by the Petitioner and hence no revenue from operations has been considered for the Petitioner for FY 2020-21.

Aggregate Revenue Requirement and Revenue Gap

Petitioners Submission

5.35 The Petitioner has submitted that the gross ARR for the SLDC consisted of O&M costs, depreciation, interest expense and interest on working capital which are then adjusted against non-tariff income to arrive at net aggregate revenue requirement for the year. The Petitioner has submitted net ARR for FY 2020-21 as shown in the table below:

Table 23 ARR (Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claim
1	Operation and Maintenance Expense	4.21	4.52
2	Depreciation	0.11	0.11
3	Interest on Working Capital	0.19	0.22
4	Total ARR	4.51	4.84
5	Less: Non-Tariff Income	0.08	0.04
6	Net Annual Revenue Requirement (Rs.Cr)	4.43	4.81

5.36 The Petitioner has submitted the revenue gap/(surplus) for the year FY 2020-21 as shown in the table below:

Table 24 Revenue gap/(surplus)(Rs.Cr) as submitted by the Petitioner for FY 2020-21

S.No	Particulars	Order dated 06.06.2024	Claimed
1	Annual Revenue Requirement	4.43	4.81
2	Revenue	-	0.00
3	Revenue Gap/(Surplus)	4.43	4.81

Commissions Analysis

5.37 The Commission after consideration of the various components of tariff as approved in the above paragraph hereby approves the ARR for SLDC for the year FY 2020-21 as given in the table below:

Table 25 ARR(Rs.Cr) as approved by the Commission for FY 2020-21

S.No	Particulars	Claim	Approved
1	Operation and Maintenance Expense	4.52	4.52
	(a)Employee Expense	3.75	3.75

S.No	Particulars	Claim	Approved
	(b)Terminal Liability	0.34	0.34
	(b)A&G Expense	0.11	0.11
	(c)R&M Expense	0.33	0.33
2	Depreciation	0.11	0.11
3	Interest on Working Capital	0.22	0.21
4	Total ARR	4.84	4.83
5	Less: Non-Tariff Income	0.04	0.04
7.	Net Annual Revenue Requirement (Rs.Cr)	4.80	4.79

5.38 As referred in para 5.34 above the Commission acknowledges the petitioner's assertion that no revenue was generated from the operation of the State Load Despatch Centre (SLDC) for the fiscal year 2020-2021. Nonetheless, the Commission has duly noted that the expenditures incurred for the SLDC have been previously accounted for in the True Up order for Jharkhand Urja Sancharan Nigam Limited (JUSNL) for the same fiscal year. Accordingly, the Commission does not sanction the approval of any revenue gap or surplus for the SLDC for the fiscal year 2020-2021.

Chapter 6 TRUE UP FOR FY 2021-22.

- 6.1 The Petitioner has submitted that the true-up petition for FY 2021-22 has been prepared based on the audited trial balance for the FY 2021-22 from the audited annual accounts of JUSNL since SLDC does not have separate accounts as on date and at present is being operated by JUSNL. The Petitioner has also submitted that the annual accounts of JUSNL for FY 2021-22 has been audited by the Comptroller and Auditor General of India (CAG).
- 6.2 The Commission while conducting the true-up of FY 2021-22 has taken into consideration the following:
- (d) Audited trial balance extracted for FY 2021-22 based upon the audited annual accounts of JUSNL for FY 2021-22.
 - (e) Principles and provisions laid down in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
 - (f) Materials submitted before the Commission.
- 6.3 The component-wise details, filed by the Petitioner and the Commission's analysis and discussion is dealt with in the following paragraphs.

Gross Fixed Asset

Petitioners Submission

- 6.4 The Petitioner, in the true-up petition, has claimed and submitted the opening GFA as per the audited trial balance for FY 2021-22. The Petitioner has also submitted that the GFA comprises of plant and machinery and office equipment.
- 6.5 The Petitioner has submitted the opening and closing balance of GFA for FY 2021-22 as per the audited trial balance, as shown in the table below:

Table 26 Gross Fixed Asset (Rs.Cr)as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Commissions Analysis

6.6 The Commission upon scrutinizing and verifying the documents submitted by the Petitioner approves the gross fixed asset for FY 2021-22 as mentioned in the table below:

Table 27 Gross Fixed Asset(Rs.Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claim	Approved
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Operation and Maintenance Expenses

Petitioners Submission

6.7 The Petitioner has submitted details of O&M expenses comprising of Employee Expense, A&G Expense and R&M Expense.

6.8 The Petitioner has referred to clause 10.23 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which defines O&M expenses as follows:

“10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a. Salaries, wages, pension contribution and other employee costs;*
- b. Administrative and General costs;*
- c. Repairs and maintenance expenses;”*

6.9 The Petitioner has clarified that the employee expenses as submitted primarily includes cost towards salaries, dearness allowances, bonus, staff welfare, medical benefits, leave travel, earned leave encashment and terminal benefits in the form of pension, gratuity etc.

- 6.10 The Petitioner has also clarified that the Administrative and General expense, as submitted primarily consists of cost towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- 6.11 The Petitioner has also mentioned that the R&M expenses, as submitted consists of costs related to repair of different class of fixed assets.
- 6.12 The Petitioner has mentioned that it has claimed employee expense, administrative and general expense and repair and maintenance expense as per the audited trial balance for FY 2021-22.
- 6.13 The Petitioner has submitted O&M expenses for FY 2021-22 as mentioned in the table below:

Table 28 O&M expense (Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claim
1	Employee expense	4.41	5.24
2	R&M expense	0.14	0.14
3	A&G expense	0.10	0.10
4	Total O&M expense (Rs.Cr)	4.65	5.48

Commissions Analysis

- 6.14 The Commission referring to clause 10.23 to clause 10.26 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as follows:

“10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- (a) Salaries, wages, pension contribution and other employee costs;*
- (b) Administrative and General costs;*
- (c) Repairs and maintenance expenses;*

10.24 The SLDC shall submit details on O&M expenses as required by the Commission. The O&M expenses for the Base Year shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, business plan filed by the SLDC, estimates of the actuals for the Base Year,

prudence check and any other factor considered appropriate by the Commission.

10.25 O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

a) $O\&M_n = (R\&M_n + EMP_n + A\&G_n) + \text{Terminal liabilities}$

Where,

R&M_n – Repair and Maintenance Costs of the Licensee for the nth year;

A&G_n – Administrative and General Costs of the Licensee for the nth year;

EMP_n – Employee Costs of the Licensee excluding terminal liabilities for the nth year;

Note 1: For the purpose of estimation, the same INDX n value shall be used for all years of the control period. However, the Commission will consider the actual values in the INDX n at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.”

- 6.15 The Commission referring to the provisions mentioned in the above regulations and after scrutinizing the submission of documents and information's provided by the Petitioner and after consideration and analyzing the audited accounts submitted by the Petitioner, approves O&M expense giving due consideration to the submissions of the Petitioner, interest of all stakeholders and assessment of the actual costs incurred by the Petitioner during the year. Accordingly, the Commission approves the total O&M expenses for the year FY 2021-22, as given below:

Table 29 O&M Expense(Rs.Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claim	Approved
1	Employee Salaries, allowance. medical expense etc.	4.21	4.21
2	Terminal Liability	1.03	1.03
3	Total Employee expense	5.24	5.24

4	R&M expense	0.14	0.14
5	A&G expense	0.10	0.10
6	Total O&M expense (Rs.Cr)	5.48	5.48

Depreciation

Petitioners Submission

- 6.16 The Petitioner has mentioned that the Commission has notified the rates for asset wise depreciation in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and the same has been considered for calculation of depreciation for the year.
- 6.17 The Petitioner has mentioned that in line with clause 10.15 to clause 10.18 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 the method for calculation of the depreciation on GFA is referred below:

“Depreciation

*10.15 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission;
Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant:*

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.17 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates as specified in Appendix-I to these Regulations.

Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.18 Depreciation shall be charged from the first year of commercial operation of the asset.

In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.....”

- 6.18 The Petitioner has calculated depreciation in annual accounts based on

the provisions mentioned above.

- 6.19 The Petitioner has calculated the detailed depreciation and claimed the same as mentioned in the table below:

Table 30 Depreciation expense(Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03
4	Average GFA	2.03	2.03
5	Depreciation during the year (Rs.Cr)	0.09	0.11

Commissions Analysis

- 6.20 The Commission referring to clause 7.15 to clause 7.25 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as below:

“Depreciation

“Depreciation

*10.15 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission;
Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant:*

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.17 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates as specified in Appendix-I to these Regulations.

Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.18 Depreciation shall be charged from the first year of commercial operation of the asset.

In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.....”

- 6.21 The Commission has also noted the fact that the Petitioner has not maintained fixed asset register and is in the process of reconciling the same.
- 6.22 The Commission has reviewed the depreciation details as provided by the Petitioner and has also checked the audited accounts as submitted by the Petitioner for FY 2021-22.
- 6.23 The Commission accordingly approves depreciation as per the audited figures submitted for FY 2021-22, as mentioned in the table below:

Table 31 Depreciation expense (Rs Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claim	Approved
1	Depreciation (Rs.Cr)	0.11	0.11

Interest on Working Capital

Petitioner's Submission

- 6.24 The Petitioner has referred to clause 10.28 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of normative working capital as depicted below:

“Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- (a) Operation & Maintenance expense for one month;*
- (b) Receivables equivalent to 45 days of annual fixed cost; and*
- (c) Less: Interest on amount, if any, held as security deposits the users.”*

- 6.25 The Petitioner has also referred to clause 10.29 and clause 10.30 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of interest rate for calculation of IoWC as depicted below:

“Interest on Working Capital

10.29 Rate of interest on working capital shall be on normative basis and shall be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”.

6.26 The Petitioner has also submitted that it has arrived at the working capital requirement according to the applicable norms for SLDC function as provided in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.

6.27 The Petitioner in line with the above-mentioned regulations has considered actual SBI base rate prevailing on 1st April 2021(i.e. 7.40%) plus 350 basis points and has submitted interest on working capital as mentioned in the table below:

Table 32 IoWC (Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claimed
1	O&M expenses for one month	0.39	0.46
2	Receivables of 45 days of Annual Fixed Charges	0.59	0.70
3	Less: Interest on amount, if any held as security deposit from users.	0.00	0.0
4	Total Working Capital Requirement	0.98	1.16
5	Interest on Working Capital (Rs.Cr)	0.10	0.13

Commissions Analysis

6.28 The Commission referring to clause 10.29 and clause 10.30 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as follows:

“Interest on Working Capital

“ 10.29 Rate of interest on working capital shall be on normative basis and shall

be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which true up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”.

6.29 Accordingly, the Commission after scrutinizing the information's and documents submitted by the Petitioner and after prudence check of the audited data and as per clauses mentioned in above para of JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020, has approved interest on working capital for the FY 2021-22 as per the below table:

Table 33 IoWC (Rs.Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claim	Approved
1	O&M expenses for one month	0.46	0.46
2	Receivables of 45 days of Annual Fixed Charges	0.70	0.71
3	Less: Interest on amount, if any held as security deposit from users.	0.00	0.00
4	Total Working Capital Requirement	1.16	0.17
5	Interest Rate applicable	10.90%	10.50%
6	Interest on Working Capital (Rs.Cr)	0.13	0.12

Non-Tariff Income

Petitioners Submission

6.30 The Petitioner has referred to clause 10.32 JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies that non-tariff income derived from disposal of assets, rent, DPS, miscellaneous receipts from the beneficiaries are to be deducted from the ARR. The Petitioner has highlighted the relevant extract from the said regulations as mentioned below:

“Non-Tariff Income

10.32 The Non-Tariff Income shall include:

1. Income from rent of land or buildings;
2. Income from sale of scrap;
3. Income from investments;
4. Interest accrued on advances to suppliers/contractors;
5. Interest income on loans / advances to employees;
6. Income from rental of staff quarters;
7. Income by rental from contractors;
8. Income by hire charges from contractors and others;
9. Income by supervision charges, etc.;
10. Supervision charges for capital works;
11. Income from advertisements;
12. Income from sale of tender documents;
13. Income from Registration Fees;
14. Profit from sale of assets, i.e. difference of Sale value & Book value;
15. Any other Non-Tariff Income:.....”.

6.31 In line with the above-mentioned provisions of the regulation the Petitioner has claimed non-tariff income as per the trial balance and has requested the Commission to approve the non-tariff income as mentioned in the table below:

Table 34 Non –Tariff Income(Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claim
1	Non-Tariff Income	0.09	0.03

Commissions Analysis

6.32 The Commission has scrutinized the non-tariff income of the Petitioner from the audited accounts submitted and has found that it has accrued income through sources like interest from banks (other than F.D.) and miscellaneous receipts. The Commission referring to clause 10.32 of JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and considering the submission made by the Petitioner has considered and approved the Non-Tariff Income for FY 2021-22 as given in the table below:

Table 35 Non-Tariff Income (Rs.Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claimed	Approved
1	Non-Tariff Income	0.03	0.03

Revenue from Operations

Petitioners Submission

6.33 The Petitioner has stated that as JUSNL is still running the operations of SLDC, hence no separate tariff has been notified by the Commission for SLDC for the FY 2021-22. Hence there is no revenue from operations for SLDC for FY 2021-22.

Commissions Analysis

6.34 The Commission has taken a note of the submission made by the Petitioner and hence no revenue from operations has been considered for the Petitioner for FY 2021-22.

Aggregate Revenue Requirement and Revenue Gap

Petitioners Submission

6.35 The Petitioner has submitted that the gross ARR for the SLDC consisted of O&M costs, depreciation, interest expense and interest on working capital which are then adjusted against non-tariff income to arrive at net aggregate revenue requirement for the year. The Petitioner has submitted net ARR for FY 2021-22 as shown in the table below:

Table 36 ARR (Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claim
1	Operation and Maintenance Expense	4.65	5.48
2	Depreciation	0.09	0.11
3	Interest on Working Capital	0.10	0.13
4	Total ARR	4.84	5.71

S.No	Particulars	Order dated 06.06.2024	Claim
5	Less: Non-Tariff Income	0.09	0.03
6	Net Annual Revenue Requirement (Rs.Cr)	4.75	5.68

6.36 The Petitioner has submitted the revenue gap/(surplus) for the year FY 2021-22 as shown in the table below:

Table 37 Revenue gap/(surplus)(Rs.Cr) as submitted by the Petitioner for FY 2021-22

S.No	Particulars	Order dated 06.06.2024	Claimed
1	Annual Revenue Requirement	4.75	5.69
2	Revenue	-	0.00
3	Revenue Gap/(Surplus)	4.75	5.68

Commissions Analysis

6.37 The Commission after consideration of the various components of tariff as approved in the above paragraph hereby approves the ARR for SLDC for the year FY 2021-22 as given in the table below:

Table 38 ARR(Rs.Cr) as approved by the Commission for FY 2021-22

S.No	Particulars	Claim	Approved
1	Operation and Maintenance Expense	5.48	5.48
	(a)Employee Expense	4.21	4.21
	(b)Terminal Liability	1.03	1.03
	(b)A&G Expense	0.10	0.10
	(c)R&M Expense	0.14	0.14
2	Depreciation	0.11	0.11
3	Interest on Working Capital	0.13	0.12
4	Total ARR	5.71	5.70



S.No	Particulars	Claim	Approved
5	Less: Non-Tariff Income	0.03	0.03
7.	Net Annual Revenue Requirement (Rs.Cr)	5.68	5.67

6.38 As referred in para 6.34 above the Commission acknowledges the petitioner's assertion that no revenue was generated from the operation of the State Load Despatch Centre (SLDC) for the fiscal year 2021-2022. Nonetheless, the Commission has duly noted that the expenditures incurred for the SLDC have been previously accounted for in the True Up order for Jharkhand Urja Sancharan Nigam Limited (JUSNL) for the same fiscal year. Accordingly, the Commission does not sanction the approval of any revenue gap or surplus for the SLDC for the fiscal year 2021-2022.

Chapter 7 TRUE UP FOR FY 2022-23.

- 7.1 The Petitioner has submitted that the true-up petition for FY 2022-23 has been prepared based on the audited trial balance for the FY 2022-23 from the audited annual accounts of JUSNL since SLDC does not have separate accounts as on date and at present is being operated by JUSNL. The Petitioner has also submitted that the annual accounts of JUSNL for FY 2022-23 has been audited by the Comptroller and Auditor General of India (CAG).
- 7.2 The Commission while conducting the true-up of FY 2022-23 has taken into consideration the following:
- (a) Audited trial balance extracted for FY 2022-23 based upon the audited annual accounts of JUSNL for FY 2022-23
 - (b) Principles and provisions laid down in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
 - (c) Materials submitted before the Commission.
- 7.3 The component-wise details, filed by the Petitioner and the Commission's analysis and discussion is dealt with in the following paragraphs.

Gross Fixed Asset

Petitioners Submission

- 7.4 The Petitioner, in the true-up petition, has claimed and submitted the opening GFA as per the audited trial balance for FY 2022-23. The Petitioner has also submitted that the GFA comprises of plant and machinery and office equipment.
- 7.5 The Petitioner has submitted the opening and closing balance of GFA for FY 2022-23 as per the audited trial balance, as shown in the table below:

Table 39 Gross Fixed Asset (Rs.Cr)as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Commissions Analysis

7.6 The Commission upon scrutinizing and verifying the documents submitted by the Petitioner approves the gross fixed asset for FY 2022-23 as mentioned in the table below:

Table 40 Gross Fixed Asset(Rs.Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Operation and Maintenance Expenses

Petitioners Submission

7.7 The Petitioner has submitted details of O&M expenses comprising of Employee Expense, A&G Expense and R&M Expense.

7.8 The Petitioner has referred to clause 10.23 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which defines O&M expenses as follows:

“10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a. Salaries, wages, pension contribution and other employee costs;*
- b. Administrative and General costs;*
- c. Repairs and maintenance expenses;”*

7.9 The Petitioner has clarified that the employee expenses as submitted primarily includes cost towards salaries, dearness allowances, bonus, staff welfare, medical benefits, leave travel, earned leave encashment and terminal benefits in the form of pension, gratuity etc.

7.10 The Petitioner has also clarified that the Administrative and General

expense, as submitted primarily consists of cost towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

7.11 The Petitioner has also mentioned that the R&M expenses, as submitted consists of costs related to repair of different class of fixed assets.

7.12 The Petitioner has mentioned that it has claimed employee expense, administrative and general expense and repair and maintenance expense as per the audited trial balance for FY 2022-23.

7.13 The Petitioner has submitted O&M expenses for FY 2022-23 as mentioned in the table below:

Table 41 O&M expense (Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	Employee expense	4.80	5.16
2	R&M expense	0.22	0.22
3	A&G expense	0.11	0.99
4	Total O&M expense (Rs.Cr)	5.14	6.37

Commissions Analysis

7.14 The Commission referring to clause 10.23 to clause 10.26 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as follows:

“10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

(a) Salaries, wages, pension contribution and other employee costs;

(b) Administrative and General costs;

(c) Repairs and maintenance expenses;

10.24 The SLDC shall submit details on O&M expenses as required by the Commission. The O&M expenses for the Base Year shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, business plan filed by the SLDC, estimates of the actuals for the Base Year, prudence check and any other factor considered appropriate by the Commission.

10.25 O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

$$a) O\&M_n = (R\&M_n + EMP_n + A\&G_n) + \text{Terminal liabilities}$$

Where,

R&M_n – Repair and Maintenance Costs of the Licensee for the *n*th year;

A&G_n – Administrative and General Costs of the Licensee for the *n*th year;

EMP_n – Employee Costs of the Licensee excluding terminal liabilities for the *n*th year;

Note 1: For the purpose of estimation, the same INDX n value shall be used for all years of the control period. However, the Commission will consider the actual values in the INDX n at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.”

- 7.15 The Commission referring to the provisions mentioned in the above regulations and after scrutinizing the submission of documents and information's provided by the Petitioner and after consideration and analyzing the audited accounts submitted by the Petitioner, approves O&M expense giving due consideration to the submissions of the Petitioner, interest of all stakeholders and assessment of the actual costs incurred by the Petitioner during the year. Accordingly, the Commission approves the total O&M expenses for the year FY 2022-23, as given below:

Table 42 O&M Expense (Rs.Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	Employee Salaries, allowance. medical expense etc.	4.80	4.80
2	Terminal Liability	0.36	0.36
3	Total Employee expense	5.16	5.16
4	R&M expense	0.22	0.22

S.No	Particulars	Claim	Approved
5	A&G expense	0.99	0.99
6	Total O&M expense (Rs.Cr)	6.37	6.37

Depreciation

Petitioners Submission

- 7.16 The Petitioner has mentioned that the Commission has notified the rates for asset wise depreciation in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and the same has been considered for calculation of depreciation for the year.
- 7.17 The Petitioner has mentioned that in line with clause 10.15 to clause 10.18 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 the method for calculation of the depreciation on GFA is referred below:

“Depreciation

*10.15 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission;
Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant:*

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.17 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates as specified in Appendix-I to these Regulations.

Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.18 Depreciation shall be charged from the first year of commercial operation of the asset.

In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.....”

- 7.18 The Petitioner has calculated depreciation in annual accounts based on the provisions mentioned above.

7.19 The Petitioner has calculated the detailed depreciation and claimed the same as mentioned in the table below:

Table 43 Depreciation expense (Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	Opening GFA	2.03	2.03
2	Addition during the year	0.20	0.00
3	Closing GFA	2.23	2.03
4	Average GFA	2.13	2.03
5	Depreciation during the year (Rs.Cr)	0.10	0.11

Commissions Analysis

7.20 The Commission referring to clause 7.15 to clause 7.25 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as below:

“Depreciation

“Depreciation

10.15 Depreciation shall be calculated for each year of the Tariff period, on the amount of Capital Cost of the assets admitted by the Commission;

Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant:

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.17 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates as specified in Appendix-I to these Regulations.

Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.18 Depreciation shall be charged from the first year of commercial operation of the asset.

In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.....”

7.21 The Commission has also noted the fact that the Petitioner has not

maintained fixed asset register and is in the process of reconciling the same.

7.22 The Commission has reviewed the depreciation details as provided by the Petitioner and has also checked the audited accounts as submitted by the Petitioner for FY 2022-23.

7.23 The Commission accordingly approves depreciation as per the audited figures submitted for FY 2022-23, as mentioned in the table below:

Table 44 Depreciation expense (Rs Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	Depreciation (Rs.Cr)	0.11	0.11

Interest on Working Capital

Petitioner's Submission

7.24 The Petitioner has referred to clause 10.28 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of normative working capital as depicted below:

“Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- (a) Operation & Maintenance expense for one month;*
- (b) Receivables equivalent to 45 days of annual fixed cost; and*
- (c) Less: Interest on amount, if any, held as security deposits the users.”*

7.25 The Petitioner has also referred to clause 10.29 and clause 10.30 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of interest rate for calculation of IoWC as depicted below:

“Interest on Working Capital

10.29 Rate of interest on working capital shall be on normative basis and shall be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the

actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”.

7.26 The Petitioner has also submitted that it has arrived at the working capital requirement according to the applicable norms for SLDC function as provided in the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.

7.27 The Petitioner in line with the above-mentioned regulations has considered actual SBI base rate prevailing on 1st April 2022 (i.e. 7.55%) plus 350 basis points and has submitted interest on working capital as mentioned in the table below:

Table 45 IoWC (Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	O&M expenses for one month	0.43	0.53
2	Receivables of 45 days of Annual Fixed Charges	0.65	0.80
3	Less: Interest on amount, if any held as security deposit from users.	0.00	0.0
4	Total Working Capital Requirement	1.05	1.33
5	Interest on Working Capital (Rs.Cr)	0.11	0.15

Commissions Analysis

7.28 The Commission referring to clause 10.29 and clause 10.30 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies as follows:

“Interest on Working Capital

“ 10.29 Rate of interest on working capital shall be on normative basis and shall be considered equal to the base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up

exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency.”.

- 7.29 Accordingly, the Commission after scrutinizing the information's and documents submitted by the Petitioner and after prudence check of the audited data and as per clauses mentioned in above para of JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020, has approved interest on working capital for the FY 2022-23 as per the below table:

Table 46 IoWC (Rs.Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	O&M expenses for one month	0.53	0.53
2	Receivables of 45 days of Annual Fixed Charges	0.80	0.80
3	Less: Interest on amount , if any held as security deposit from users.	0.00	0.00
4	Total Working Capital Requirement	1.33	1.33
5	Interest Rate applicable	11.05%	10.50%
6	Interest on Working Capital (Rs.Cr)	0.15	0.14

Non-Tariff Income

Petitioners Submission

- 7.30 The Petitioner has referred to clause 10.32 JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which specifies that non-tariff income derived from disposal of assets, rent, DPS, miscellaneous receipts from the beneficiaries are to be deducted from the ARR. The Petitioner has highlighted the relevant extract from the said regulations as mentioned below:

“Non-Tariff Income

10.32 The Non-Tariff Income shall include:

- 1. Income from rent of land or buildings;*

2. Income from sale of scrap;
3. Income from investments;
4. Interest accrued on advances to suppliers/contractors;
5. Interest income on loans / advances to employees;
6. Income from rental of staff quarters;
7. Income by rental from contractors;
8. Income by hire charges from contractors and others;
9. Income by supervision charges, etc.;
10. Supervision charges for capital works;
11. Income from advertisements;
12. Income from sale of tender documents;
13. Income from Registration Fees;
14. Profit from sale of assets, i.e. difference of Sale value & Book value;
15. Any other Non-Tariff Income:.....”.

7.31 In line with the above-mentioned provisions of the regulation the Petitioner has claimed non-tariff income as per the trial balance and has requested the Honorable Commission to approve the non-tariff income as mentioned in the table below:

Table 47 Non –Tariff Income(Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	Non-Tariff Income	0.09	0.11

Commissions Analysis

7.32 The Commission has scrutinized the non-tariff income of the Petitioner from the audited accounts submitted and has found that it has accrued income through sources like interest from banks (other than F.D.) and miscellaneous receipts. The Commission referring to clause 10.32 of JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and considering the submission made by the Petitioner has considered and approved the Non-Tariff Income for FY 2022-23 as given in the table below:

Table 48 Non-Tariff Income(Rs.Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	Non-Tariff Income	0.11	0.11

Revenue from Operations

Petitioners Submission

7.33 The Petitioner has stated that as JUSNL is still running the operations of SLDC, hence no separate tariff has been notified by the Commission for SLDC for the FY 2022-23. Hence there is no revenue from operations for SLDC for FY 2022-23.

Commissions Analysis

7.34 The Commission has taken a note of the submission made by the Petitioner and hence no revenue from operations has been considered for the Petitioner for FY 2022-23.

Aggregate Revenue Requirement and Revenue Gap

Petitioners Submission

7.35 The Petitioner has submitted that the gross ARR for the SLDC consisted of O&M costs, depreciation, interest expense and interest on working capital which are then adjusted against non-tariff income to arrive at net aggregate revenue requirement for the year. The Petitioner has submitted net ARR for FY 2022-23 as shown in the table below:

Table 49 ARR (Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Order dated 06.06.2024	Claim
1	Operation and Maintenance Expense	5.14	6.37
2	Depreciation	0.10	0.11
3	Interest on Loan	0.01	0.00
4	Interest on Working Capital	0.11	0.15
5	Total ARR	2.26	6.63
6	Less: Non-Tariff Income	0.09	0.11
7	Net Annual Revenue Requirement (Rs.Cr)	5.26	6.52

7.36 The Petitioner has submitted the revenue gap/(surplus) for the year FY

2022-23 as shown in the table below:

Table 50 Revenue gap/(surplus)(Rs.Cr) as submitted by the Petitioner for FY 2022-23

S.No	Particulars	Claim	Approved
1	Annual Revenue Requirement	6.51	6.51
2	Revenue	0.00	0.00
3	Revenue Gap/(Surplus)	6.51	6.51

Commissions Analysis

7.37 The Commission after consideration of the various components of tariff as approved in the above paragraph hereby approves the ARR for SLDC for the year FY 2022-23 as given in the table below:

Table 51 ARR(Rs.Cr) as approved by the Commission for FY 2022-23

S.No	Particulars	Claim	Approved
1	Operation and Maintenance Expense	6.37	6.37
	(a)Employee Expense	4.80	4.80
	(b)Terminal Liability	0.36	0.36
	(b)A&G Expense	0.99	0.99
	(c)R&M Expense	0.22	0.22
2	Depreciation	0.11	0.11
3	Interest on Loan	0.00	0.00
4	Interest on Working Capital	0.15	0.14
5	Total ARR	6.63	6.62
6	Less: Non-Tariff Income	0.11	0.11
7.	Net Annual Revenue Requirement (Rs.Cr)	6.52	6.51

7.38 As referred in para 7.34 above the Commission acknowledges the petitioner's assertion that no revenue was generated from the operation of the State Load Despatch Centre (SLDC) for the fiscal year 2022-2023. Nonetheless, the Commission has duly noted that the expenditures



incurred for the SLDC have been previously accounted for in the True Up order for Jharkhand Urja Sancharan Nigam Limited (JUSNL) for the same fiscal year. Accordingly, the Commission does not sanction the approval of any revenue gap or surplus for the SLDC for the fiscal year 2022-2023.

Chapter 8 : Annual Performance Review (APR) for FY 2023-24

- 8.1 This section outlines the performance of SLDC for the FY 2023-24.
- 8.2 The Petitioner, in line with the provisions of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 has submitted the APR petition for FY 2023-24.
- 8.3 The Petitioner has submitted that the expenses of FY 2023-24 presented for APR are based on the projections made on the audited values of FY 2022-23.
- 8.4 The Petitioner has submitted that the values of the various components of ARR for FY 2023-24 are based on projections and as per relevant escalations made on the audited figures for FY 2022-23.
- 8.5 The Commission had considered the actual values for FY 2022-23 as submitted by the Petitioner for issuing APR for FY 2023-24.
- 8.6 The Commission based on the provisions of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 has carried out the APR taking into consideration the following:
- (a) Trial balance of the audited accounts of the Petitioner for FY 2022-23.
 - (b) Materials submitted before the Commission.
 - (c) JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
- 8.7 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Gross Fixed Asset

Petitioners Submission

- 8.8 The Petitioner has considered closing GFA of FY 2022-23 as opening GFA of FY 2023-24. The following table shows the opening and closing balance of GFA for FY 2023-24 and estimated capitalization.

Table 52 Gross Fixed Asset(Rs.Cr) as submitted by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Opening GFA	2.23	2.03
2	Addition during the year	17.58	0.00
3	Closing GFA	19.82	2.03

Commissions Analysis

8.9 On scrutinizing the documents and information's submitted by the Petitioner, the Commission approves the Gross Fixed Asset of the Petitioner for FY 2023-24 as given in the table below:

Table 53 Gross Fixed Asset(Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	Opening GFA	2.03	2.03
2	Addition during the year	0.00	0.00
3	Closing GFA	2.03	2.03

Operation and Maintenance Expenses

Petitioners Submission

8.10 The Petitioner has submitted details of O&M expenses comprising of Employee Expense, A&G Expense and R&M Expense.

8.11 The Petitioner has referred to clause 10.23 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations,2020 which defines O&M expenses as follows:

“10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a. Salaries, wages, pension contribution and other employee costs;*
- b. Administrative and General costs;*
- c. Repairs and maintenance expenses;”*

8.12 The Petitioner has submitted that the O&M costs include cost of employee

expenses, administrative and general expense and repair and maintenance expenses.

- 8.13 In the Petition the Petitioner has projected the employee cost for FY 2023-24 by escalating the projected employee cost (excluding terminal benefits) for FY 2022-23 by the inflation factor of 6.37%.
- 8.14 The Petitioner has also submitted that the A&G cost for FY 2023-24 is being arrived at by escalating the A&G cost of FY 2022-23 by the inflation factor of 6.37%.
- 8.15 The Petitioner has submitted that the R&M cost for FY 2023-24 is computed by multiplying the “K” factor based in actual R&M expense for the FY 2022-23 and the average GFA for the FY 2023-24.
- 8.16 The Petitioner has submitted the O&M cost for FY 2023-24 considering the three heads as mentioned above as per details in the given table:

Table 54 O&M cost(Rs.Cr) as submitted by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Employee Expense	5.13	5.13
2	Terminal Benefits	-	0.36
3	A&G Expenses	0.12	1.06
4	R&M Expenses	0.05	0.05
Total Expense (Rs.Cr)		5.30	6.59

Commissions Analysis

- 5.1 The Commission has referred to JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for determination of O&M expenses as mentioned below:

“Operation and Maintenance Expenses

10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- Salaries, wages, pension contribution and other employee costs;*
- Administrative and General costs;*
- Repairs and maintenance expenses;*

10.24 The SLDC shall submit details on O&M expenses as required by the Commission. The O&M expenses for the Base Year shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, business plan filed by the SLDC, estimates of the actuals for the Base Year, prudence check and any other factor considered appropriate by the Commission.

10.25 O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

$$\mathbf{O\&Mn = (R\&Mn + EMPn + A\&Gn) + Terminal liabilities}$$

Where,

R&Mn – Repair and Maintenance Costs of the Licensee for the *nth* year;

EMPn – Employee Costs of the Licensee for the *nth* year excluding terminal liabilities;

A&Gn – Administrative and General Costs of the Licensee for the *nth* year.

10.26 The above components shall be computed in the manner specified below:

a) $R\&Mn = K * GFA * (INDXn / INDXn-1)$

Where,

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year after normalising any abnormal expenses;

‘GFA’ is the opening value of the gross fixed asset of the *nth* year;

b) $EMPn + A\&Gn = [(EMPn-1) * (1+Gn) + (A\&Gn-1)] * (INDXn / INDXn-1)$

Where,

EMPn-1 – Employee Costs of the Licensee for the (*n-1*)th year excluding terminal liabilities;

A&Gn-1 – Administrative and General Costs of the Licensee for the (*n-1*)th year excluding legal/litigation expenses;

INDXn – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

Gn – is a growth factor for the *nth* year and it can be greater than or lesser

than zero based on the actual performance. Value of G_n shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the SLDC's Filing, benchmarking and any other factor that the Commission feels appropriate;

c) $INDX_n = 0.55 * CPI_n + 0.45 * WPI_n$;

Note 1: For the purpose of estimation, the same $INDX_n$ / $INDX_{n-1}$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $INDX_n$ / $INDX_{n-1}$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the SLDC along with documentary evidence such as actuarial studies.

- 8.17 The Commission referring to the above-mentioned clauses of the Regulation and considering the facts submitted by the petitioner, hereby approves the O&M cost of the Petitioner for FY 2023-24 as mentioned in the table below:

Table 55 O&M Cost(Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	Employee Expense	5.13	5.13
	Terminal Liabilities	0.36	-
2	A&G Expense	1.06	1.06
3	R&M expense	0.05	0.05
Total O&M expense (Rs Cr)		6.59	6.24

Depreciation

Petitioners Submission

- 8.18 The Petitioner has stated that the Commission has notified the rates for asset-wise depreciation in the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and the

Petitioner has considered the same for calculation of depreciation for the FY 2023-24.

- 8.19 The Petitioner has referred to clause 10.15 to clause 10.19 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for the method of calculation of the Depreciation on GFA as given below:

“Depreciation

*10.15 Depreciation shall be calculated every year on the amount of original cost of the fixed assets as admitted by the Commission:
Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant.*

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

*10.17 Depreciation shall be calculated annually based on ‘Straight Line Method’ and at rates as specified in Appendix-I to these Regulations.
Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.*

10.18 Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.

10.19 The residual value of the asset (excluding IT equipment and Software) shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.....”

- 8.20 The Petitioner has calculated depreciation on the projected GFA as per the above-mentioned provisions.
- 8.21 The Petitioner has projected depreciation for FY 2023-24 as provided in the table below:

Table 56 Depreciation (Rs.Cr) as projected by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Opening GFA	2.23	2.03

S.No	Particulars	Order dated 06.06.2024	Petition
2	Addition during the year	17.58	0.00
3	Closing GFA	19.82	2.03
4	Average GFA	11.025	2.03
5	Depreciation for the year (Rs.Cr)	0.63	0.09

Commissions Analysis

- 8.22 The Commission referred to clause 10.15 to clause 10.19 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 while calculating the depreciation for FY 2023-24
- 8.23 The Commission has also noted the fact that the Petitioner has not maintained fixed asset register and is in process of reconciling the same.
- 8.24 The Commission accordingly approves depreciation considering the figures submitted for FY 2023-24 as mentioned in the table below:

Table 57 Depreciation (Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	Depreciation (Rs.Cr)	0.09	0.09

Interest on Working Capital

Petitioners Submission

- 5.2 The Petitioner has referred to clause 10.28 to clause 10.30 of JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of normative Working Capital which is referred below:

“Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- a. Operation and Maintenance expenses for one month;*
- b. Receivables equivalent to 45 days of annual fixed cost; and*
- c. Less: Interest on amount, if any, held as security deposits from the Users.”*

“Interest on Working Capital

10.29 Rate of interest on working capital shall be equal to the Bank Rate as on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the SLDC has not taken working capital loan from any outside agency.”

- 8.25 The Petitioner has submitted that it has arrived at the working capital requirement according to the applicable norms as provided in the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
- 8.26 The Petitioner in line with the above-mentioned regulations has considered actual SBI base rate prevailing on 30th September 2023 (i.e. 10.10%) plus 350 basis points and has submitted interest on working capital as mentioned in the table below:

Table 58 IoWC(Rs.Cr) as projected by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	O&M Expenses for one Month	0.44	0.55
2	Receivables to 45 days AFC	0.78	0.83
3	Less: Interest on amount, if any held as security deposit from users	0.00	0.00
4	Total Working Capital Requirement	1.22	1.38
5	Interest on Working Capital (Rs.Cr)	0.13	0.19

Commissions Analysis

- 8.27 The Commission has referred to clause 10.28 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which describes the components for determining the working capital requirement as mentioned below:

“Interest on Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- a. Operation and Maintenance expenses for one month;
- b. Receivables equivalent to 45 days of annual fixed cost; and
- c. Less: Interest on amount, if any, held as security deposits from the Users.”

8.28 The Commission accordingly has also referred to clause 10.29 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of rate of interest on working capital as given below:

“10.29 Rate of interest on working capital shall be equal to the Bank Rate as on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the SLDC has not taken working capital loan from any outside agency.”

8.29 Accordingly, the Commission, after scrutinizing the information's and documents submitted by the Petitioner and after prudence check of the data and as per clauses mentioned in above para, has approved interest on working capital for the FY 2023-24 as per below table:

Table 59 IoWC(Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	O&M Expenses for one Month	0.55	0.52
2	Receivables to 45 days AFC	0.83	0.81
3	Less: Interest on amount, if any held as security deposit from users	0.00	0.00
4	Total Working Capital Requirement	1.38	1.33
5	Interest Rate applicable	13.60%	12.05%
6	Interest on Working Capital (Rs.Cr)	0.19	0.16

Non-Tariff Income

Petitioners Submission

8.30 Petitioner has referred to clause 10.32 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which states as follows:

“10.32 The Non-Tariff Income shall include:

1. Income from rent of land or buildings;
2. Income from sale of scrap;
3. Income from investments;
4. Interest accrued on advances to suppliers/contractors;
5. Interest income on loans / advances to employees;
6. Income from rental of staff quarters;
7. Income by rental from contractors;
8. Income by hire charges from contractors and others;
9. Income by supervision charges, etc.;
10. Supervision charges for capital works;
11. Income from advertisements;
12. Income from sale of tender documents;
13. Income from Registration Fees;
14. Profit from sale of assets, i.e. difference of Sale value & Book value;
15. Any other Non-Tariff Income”

8.31 The Petitioner has considered an escalation of 5% over the audited figure of FY 2022-23 to arrive at the Non-Tariff Income for FY 2023-24. The Non-Tariff Income projected by the Petitioner for FY 2023-24 is shown in the table below:

Table 60 Non-Tariff Income (Rs.Cr) as projected by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Non-Tariff Income	0.10	0.12

Commissions Analysis

8.32 The Commission has noted that the Non-Tariff Income projected by the Petitioner mainly consists of Interest from bank (other than on F.D) and miscellaneous receipts. The Commission with reference to the above-mentioned clauses accordingly approves the Non-Tariff income for FY 2023-24 as given in the table below:

Table 61 Non-Tariff Income(Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	Non-Tariff Income	0.12	0.12

Revenue from Operations

Petitioners Submission

8.33 The Petitioner has stated that as JUSNL is still running the operations of SLDC hence no separate tariff has been notified by the Commission for SLDC for the FY 2023-24. Hence there is no revenue from operations for SLDC for FY 2023-24.

Commissions Analysis

8.34 The Commission has taken a note of the submission made by the Petitioner and hence no revenue from operations has been considered for the Petitioner for FY 2023-24.

Aggregate Revenue Requirement and Revenue Gap

Petitioners Submission

8.35 The Petitioner has submitted that the gross ARR for the SLDC consisted of O&M costs, depreciation, interest expense and interest on working capital which are then adjusted against non-tariff income to arrive at net aggregate revenue requirement for the year. The Petitioner has submitted net ARR for FY 2023-24 as shown in the table below:

Table 62 ARR (Rs.Cr) as submitted by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Operation and Maintenance Expense	5.30	6.59
2	Depreciation	0.63	0.09
3	Interest on Loan	0.42	0.00
4	Interest on Working Capital Loan	0.13	0.19
5	Total ARR	6.48	6.87
6	Less: Non-Tariff Income	0.10	0.12
7	Net Annual Revenue Requirement (Rs.Cr)	6.38	6.75

8.36 The Petitioner has submitted the revenue gap/(surplus) for the year FY 2023-24 as shown in the table below:

Table 63 Revenue gap/(surplus)(Rs.Cr) as submitted by the Petitioner for FY 2023-24

S.No	Particulars	Order dated 06.06.2024	Petition
1	Annual Revenue Requirement	6.38	6.75
2	Revenue	-	0.00
3	Revenue Gap/(Surplus)	-	6.75

Commissions Analysis

8.37 The Commission after consideration of the various components of tariff as approved in above paragraph hereby approves the ARR for SLDC for the year FY 2023-24 as given in the table below:

Table 64 ARR (Rs.Cr) as approved by the Commission for FY 2023-24

S.No	Particulars	Petition	Approved
1	Operation and Maintenance Expense	6.59	6.24
	(a)Employee Expense	5.13	5.13
	(b)Terminal Liability	0.36	0.00
	(b)A&G Expense	1.06	1.06
	(c)R&M Expense	0.05	0.05
2	Depreciation	0.09	0.09
3	Interest cost	0.00	0.00
4	Interest on Working Capital	0.19	0.16
5	Total ARR	6.87	6.48
6	Less: Non-Tariff Income	0.12	0.12
7	Net Annual Revenue Requirement (Rs.Cr)	6.75	6.36

8.38 As referred in para 8.34 above the Commission has noted the fact that there is no revenue generated from operation of SLDC for the FY 2023-24 and hence considering the same the Commission approves the gap/(surplus) for the FY 2023-24 as referred in the table below:

Table 65 Gap/(surplus)(Rs.Cr) as approved by the Commission for the FY 2023-24

S.No	Particulars	Petition	Approved
1	Annual Revenue Requirement	6.75	6.36



2	Revenue	-	0.00
3	Revenue Gap/(Surplus)	-	6.36

8.39 The Commission has conducted the Annual Performance Review (APR) based on the actual audited figures submitted by the Petitioner for FY 2022-23 and the additional data presented by the Petitioner. However, the same shall be reviewed during submission of True-up for FY 2023-24 in accordance with the provisions of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.

Chapter 9 : Annual Revenue Requirement (ARR) for FY 2024-25

Annual Revenue Requirement for FY 2024-25

- 9.1 This section outlines the projections made by the Petitioner for the control period FY 2024-25 along with Commission's analysis and approval.
- 9.2 The Petitioner, in line with provisions of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 has submitted the projections against various components for the period i.e. FY 2024-25.
- 9.3 The Petitioner has submitted the actual/audited expense for FY 2022-23.
- 9.4 The Commission has considered the actual/audited values for FY 2022-23 as submitted by the Petitioner for issuing of ARR for FY 2024-25.
- 9.5 The Commission based on the provisions of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 has carried out the ARR for the FY 2024-25 taking into considerations the following:
- (a) Trial balance of the audited accounts of the Petitioner for FY 2022-23.
 - (b) Materials submitted before the Commission.
 - (c) JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020
- 9.6 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Capital Expenditure and Capitalization

Petitioners Submission

- 9.7 The Petitioner has submitted detailed capital investment plan and capitalization schedule against the various heads for the FY 2024-25 and FY 2025-26 as per details shown in the table below:

Table 66 Capital Investment Plan (Rs.Lacs) as projected by the Petitioner for FY 2024-25

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25	FY 2025-26
1	Building	500.00	500.00	0.00
2	Civil Works	290.00	10.00	100.00
3	Furniture & Fixtures	35.00	10.00	20.00
4	Office Equipment	50.00	30.00	10.00
5	Vehicles	11.00	4.00	4.50
6	Procurement of AC	55.00	7.50	35.00
7	Procurement of four wire telephone	3.00	1.00	1.50
8	Procurement of IP phone	6.00	2.00	3.00
9	Earth Pit (chemical type)	50.00	20.00	20.00
10	CCTV	27.00	5.00	12.00
11	Battery Bank	40.00	7.50	30.00
12	Router with firewall	80.00	50.00	30.00
13	SCADA server module with Software	20.00	20.00	0.00
14	Establishment of PLCC Link	400.00	400.00	0.00
15	ABT systems for railways under open access	400.00	400.00	0.00
16	Samast Software	1419.49	500.00	919.49
17	Total	3386.49	1967.00	1185.49

9.8 The capitalization schedule of the schemes envisaged to be implemented as submitted by the Petitioner has been provided in the table given below:

Table 67 Proposed capitalisation (Rs.Lacs) as projected by the Petitioner for FY 2024-25

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25	FY 2025-26
1	Building	500.00	500.00	0.00
2	Civil Works	290.00	10.00	100.00
3	Furniture & Fixtures	35.00	10.00	20.00
4	Office Equipments	50.00	30.00	10.00
5	Vehicles	11.00	4.00	4.50
6	Procurement of AC	55.00	7.50	35.00

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25	FY 2025-26
7	Procurement of four wire telephone	3.00	1.00	1.50
8	Procurement of IP phone	6.00	2.00	3.00
9	Earth Pit (chemical type)	50.00	20.00	20.00
10	CCTV	27.00	5.00	12.00
11	Battery Bank	40.00	7.50	30.00
12	Router with firewall	80.00	50.00	30.00
13	SCADA server module with Software	20.00	20.00	0.00
14	Establishment of PLCC Link	400.00	400.00	0.00
15	ABT systems for railways under open access	400.00	400.00	0.00
16	Samast Software	1419.49	0.00	1419.49
17	Total	3386.49	1467.00	1685.49

9.9 The Petitioner has submitted that the project cost of implementation of Samast Software has been revised. The total project cost estimated now is Rs 25.99 Cr out of which Rs 11.80 Cr is for AMC of software. Hence the capital expenditure for the project is Rs 14.19 Cr. Further, the project will be financed by government Grant.

Commission Analysis

9.10 The Commission has scrutinized the capital expenditure plan based on the provisions as mentioned in the above para of JSERC (Levy and Collection of Fees and Charges by State Dispatch Load Centre) Regulations, 2020.

9.11 The Commission upon scrutiny of the capital investment plan proposed by the Petitioner for FY 2024-25 has observed that the Petitioner has projected an investment plan of Rs.14.67 Cr for FY 2024-25 of which the major contribution is of Building (5.00Cr), establishment of PLCC Link (4.00 Crs) and ABT System for Railways (4.00Cr).

9.12 The Commission also reiterates that upgradation and proper functioning of SLDC is essential 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.

9.13 The Commission, based on the above facts, provisionally approves the projected capital expenditure and projected Capitalization as referred in the table below:

Table 68 Capital Expenditure (Rs.Lacs) approved for FY 2024-25

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25
1	Building	500.00	500.00
2	Civil Works	290.00	10.00
3	Furniture & Fixtures	35.00	10.00
4	Office Equipment	50.00	30.00
5	Vehicles	11.00	4.00
6	Procurement of AC	55.00	7.50
7	Procurement of four wire telephone	3.00	1.00
8	Procurement of IP phone	6.00	2.00
9	Earth Pit (chemical type)	50.00	20.00
10	CCTV	27.00	5.00
11	Battery Bank	40.00	7.50
12	Router with firewall	80.00	50.00
13	SCADA server module with Software	20.00	20.00
14	Establishment of PLCC Link	400.00	400.00
15	ABT systems for railways under open access	400.00	400.00
16	Samast Software	1419.49	500.00
17	Total	3386.49	1967.00

Table 69 Capitalisation Schedule (Rs.Lacs) approved for FY 2024-25

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25
1	Building	500.00	300.00
2	Civil Works	290.00	10.00
3	Furniture & Fixtures	35.00	10.00
4	Office Equipments	50.00	10.00
5	Vehicles	11.00	4.00

Sr.No.	Name of Scheme	Total Estimated amount	FY 2024-25
6	Procurement of AC	55.00	0.00
7	Procurement of four wire telephone	3.00	1.00
8	Procurement of IP phone	6.00	2.00
9	Earth Pit (chemical type)	50.00	20.00
10	CCTV	27.00	5.00
11	Battery Bank	40.00	7.50
12	Router with firewall	80.00	30.00
13	SCADA server module with Software	20.00	10.00
14	Establishment of PLCC Link	400.00	200.00
15	ABT systems for railways under open access	400.00	200.00
16	Samast Software	1419.49	0.00
17	Total	3386.49	809.50

Gross Fixed Asset

Petitioners Submission

9.14 The Petitioner has considered closing GFA for FY 2023-24 as opening GFA of FY 2024-25. Based on the capital expenditure and capitalization proposed for FY 2024-25, Rs 14.67 Cr is to be capitalized during FY 2024-25.

9.15 The Petitioner has submitted a summary of the Opening and Closing GFA and capitalization for the period as summarized in table below:

Table 70 Gross Fixed Asset (Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petition
1	Opening GFA	19.82	2.03
2	Addition during the year	0.00	14.67
3	Closing GFA	19.82	16.70

Commissions Analysis

9.16 The Commission has considered opening GFA for FY 2024-25 equal to closing GFA for FY 2023-24 as submitted by the Petitioner.

9.17 The Commission, based on the approval granted for capitalization as mentioned under para 9.13 for the FY 2024-25 as given in the table below:

Table 71 Gross Fixed Asset (Rs.Cr) as approved by the Commission for FY 2024-25

S.No	Particulars	Petition	Approved
1	Opening GFA	2.03	2.03
2	Addition during the year	14.67	8.10
3	Closing GFA	16.70	10.03

Debt-Equity Ratio

Petitioners Submission

9.18 The Petitioner has estimated the debt equity requirement of the FY 2024-25 in accordance with the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020. The clause 9.8 and 9.9 of the Regulations states as follows:

“9.8 The Commission shall consider the normative debt equity ratio of the capital incurred as 70:30 for determination of tariff.

9.9 In case the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of charges:

Provided further that the equity invested in foreign currency shall be designated in Indian Rupees on the date of each investment.”

9.19 The Petitioner has stated that the capital expenditure for FY 2024-25 is proposed to be funded by loans availed from the State Government. Hence, there will be no funding of the capital expenditure schemes through equity. Year wise requirement of debt and equity is as follows:

Table 72 Debt and Equity portion as projected by the Petitioner for FY 2024-25(Rs.Cr)

S.No	Particulars	Petition
1	Debt	14.67

S.No	Particulars	Petition
2	Equity	0.00
3	Total capital expenditure during the financial year	14.67

Commissions Analysis

9.20 The Commission, after scrutiny and analysis of the documents submitted by the Petitioner, notes that the various projects to be initiated during FY 2024-25 is to be funded entirely via loan from the State.

9.21 The Commission referring to the capitalization allowed in the above para for FY 2024-25 approves the debt and equity portion as given in the table below:

Table 73 Debt and equity portion as approved by the Commission for FY 2024-25(Rs.Cr)

S.No	Particulars	Petition	Approved
1	Debt	14.67	8.10
2	Equity	0.00	0.00
3	Total capital expenditure during the financial year	14.67	8.10

Operation and Maintenance Expenses

Petitioners Submission

9.22 The Petitioner has referred to clause 10.23 to 10.26 of the JSERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for projecting the O&M expense for FY 2024-25

9.23 The Petitioner has submitted that the O&M expenses of SLDC for FY 2024-25 has been projected considering the historical expenses. The O&M expenses estimated for FY 2023-24 are being used as base figures, which are escalated to arrive at the expenses for FY 2024-25.

9.24 The Petitioner has projected the employee cost for FY 2024-25 by escalating the projected employee cost (excluding the terminal benefits) estimated for FY 2023-24 by the inflation factor of 6.37%.

9.25 The employee cost projected by the Petitioner for the FY 2024-25 is summarized in the following table:

Table 74 Employee Expense (Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petitioner
1	Employee Expense	5.49	5.49
2	Terminal Benefits	0.00	0.36
3	Total	5.49	5.84

9.26 The Petitioner has projected the A&G expenses for FY 2024-25 by escalating the A&G expenses estimated for FY 2023-24 by the inflation factor of 6.37%.

9.27 The A&G expenses projected by the Petitioner for the financial year is summarized in the table below:

Table 75 A&G expense(Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petitioner
1	A& G Expenses	0.13	1.13

9.28 The Petitioner has submitted the R&M cost for FY 2024-25 by considering the historical trends and the capital investment works envisaged to be implemented during the financial year. Work wise R&M expenses proposed for the financial year is given in the following table:

Table 76 R&M expense (Rs.lacs) as projected by the Petitioner for FY 2024-25

S.No	Particular	Order dated 06.06.2024	Petition
1	R&M Expenses	0.47	0.05

9.29 The Petitioner has summarized the O&M expense projected for FY 2024-25 as given in the table below:

Table 77 O&M expense(Rs.Cr) as projected by the Petitioner for FY 2024-25.

S.No	Particulars	Order dated 06.06.2024	Petition
1	Employee Cost (including terminal liability)	5.49	5.84

S.No	Particulars	Order dated 06.06.2024	Petition
2	R&M	0.47	0.05
3	A&G	0.13	1.13
3	Total	6.09	7.02

Commissions Analysis

9.30 The Commission has referred to JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for determination of O&M expenses as mentioned below:

“Operation and Maintenance Expenses

10.23 Operation and Maintenance (O&M) expenses shall comprise of the following:

- Salaries, wages, pension contribution and other employee costs;*
- Administrative and General costs;*
- Repairs and maintenance expenses;*

“10.24 The SLDC shall submit details on O&M expenses as required by the Commission. The O&M expenses for the Base Year shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, business plan filed by the SLDC, estimates of the actuals for the Base Year, prudence check and any other factor considered appropriate by the Commission.

10.25 O&M expenses permissible towards ARR for each year of the Control Period shall be determined using the formula detailed below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) + \text{Terminal liabilities}$$

Where,

R&M_n – Repair and Maintenance Costs of the Licensee for the nth year;

EMP_n – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&G_n – Administrative and General Costs of the Licensee for the nth year.

10.26 The above components shall be computed in the manner specified below:

$$a) R\&M_n = K * GFA * (INDX_n / INDX_{n-1})$$

Where,

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year after normalising any abnormal expenses;

‘GFA’ is the opening value of the gross fixed asset of the nth year;

$$b) EMP_n + A\&G_n = [(EMP_{n-1}) * (1+G_n) + (A\&G_{n-1})] * (INDX_n / INDX_{n-1})$$

Where,

EMP_{n-1} – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities; $A\&G_{n-1}$ – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;

$INDX_n$ – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of G_n shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the SLDC’s Filing, benchmarking and any other factor that the Commission feels appropriate;

$$c) INDX_n = 0.55 * CPI_n + 0.45 * WPI_n;$$

Note 1: For the purpose of estimation, the same $INDX_n / INDX_{n-1}$ value shall be used for all years of the control period. However, the Commission will consider the actual values in the $INDX_n / INDX_{n-1}$ at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the SLDC along with documentary evidence such as actuarial studies.”

9.31 The Commission, after scrutiny and analysis of the submission made by the Petitioner, observes that the Petitioner has considered base year as FY

2023-24 and has made the necessary projections for FY 2024-25 by considering the historical trend and escalating with an inflation factor of 6.37% .

- 9.32 The Commission has also observed that the Petitioner, while projecting expenses for R&M has not followed the methodology as referred to under clause 10.26 of JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
- 9.33 The Commission has accordingly approved the O&M Expenses with an escalation of 3.72 % and a K factor of 2.23% as per the provisions of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020. The approved O&M expense for FY 2024-25 is given in the table below:

Table 78 O&M expense (Rs.Cr) as approved by the Commission for FY 2024-25

S.No	Particulars	Petition	Approved
1	Employee Cost (excluding terminal liability)	5.49	5.32
2	R&M	0.05	0.23
3	A&G	1.13	1.10
3	Total	6.67	6.65

Depreciation

Petitioners Submission

- 9.34 The Petitioner has submitted that it has calculated depreciation based on the notification of the Commission and has considered the rates of asset wise depreciation as mentioned in JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.
- 9.35 The Petitioner has referred to clause 10.15 to clause 10.19 of the JSERC JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for the method of calculation of the Depreciation on GFA as given below:

“Depreciation

10.15 Depreciation shall be calculated every year on the amount of original cost of the fixed assets as admitted by the Commission:
Provided that depreciation shall not be allowed on assets funded by any capital subsidy / grant.

10.16 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.17 Depreciation shall be calculated annually based on 'Straight Line Method' and at rates as specified in Appendix-I to these Regulations.
Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.18 Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.

10.19 The residual value of the asset (excluding IT equipment and Software) shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.....”

9.36 The Petitioner has calculated depreciation on the projected GFA as per the above-mentioned provisions and has considered following depreciation rates which are in line with the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 as provided in the table below:

Table 79 Depreciation rates considered by the Petitioner for FY 2024-25

Particulars	Depreciation Rates
Plant & Machinery	4.22%
Buildings	2.67%
Vehicles	12.77%
Furniture & Fixtures	6.33%
Office Equipment	6.33%
Land	0.00%
IT and Software	15.00%
Communication Equipment	6.33%
Battery	12.77%
Others	4.22%

9.37 The Petitioner has projected depreciation for the FY 2024-25 as given in the table below:

Table 80 Depreciation (Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petition
1	Opening GFA	19.82	2.03
2	Addition during the year	0.00	14.67
3	Closing GFA	19.82	16.70
4	Average GFA	19.82	9.37
5	Depreciation for the year(Rs.Cr)	1.14	0.83

Commissions Analysis

9.38 The Commission, after scrutinizing the submission made by the Petitioner, approves the depreciation based on the depreciation schedule mentioned at Appendix-I of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 and the capitalization as approved earlier in this order. The depreciation as approved is given in the table below:

Table 81 Depreciation (Rs.Cr) as approved by the Commission for FY 2024-25

S.No	Particulars	Petition	Approved
1	Depreciation (Rs.Cr)	0.83	0.48

Interest on Loan Expense

Petitioners Submission

9.39 The Petitioner has submitted that the interest on loan expense has been computed based on the clauses 10.6 to 10.11 of the MYT Regulations 2020 as referred below:

“10.6 The loans arrived at in the manner indicated in Clauses 9.8 and 9.9 of these Regulations shall be considered as gross normative loan for calculation of interest on loan.

10.7 The normative loan outstanding as on April 01, 2021 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to

March 31, 2021 from the gross normative loan.

10.8 The repayment for the year of the Control Period shall be deemed to be equal to the depreciation allowed for that financial year.

10.9 In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on pro-rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such assets.

10.10 Notwithstanding any moratorium period availed by the SLDC, the repayment of loan shall be considered from the first year of operation of the scheme.

10.11 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the SLDC:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points."

9.40 The Petitioner has submitted that the assets to be capitalized during FY 2024-25 shall be funded by the State Govt Loan. The State Govt funds are being provided to the Petitioner in the form of loan at an interest rate of 13%.

9.41 The Petitioner has accordingly provided the interest on loan for the FY 2024-25 to FY 2025-26 as given in the table below:

Table 82 Interest on Loan (Rs.Cr) as projected by the Petitioner for FY 2024-25 to FY 2025-26

S.No	Particulars	Order dated 06.06.2024	Petition
1	Opening Loan	6.34	0.00
2	Loan for additional Capex	0.00	14.67
3	Loan Repayment	1.14	0.83
4	Closing Loan	5.19	13.84
5	Average Loan	5.77	6.92
6	Interest rate	13.00%	13.00%
7	Interest Cost Loan(Rs.Cr)	0.75	0.90

Commissions Analysis

9.42 The Commission observes that the schemes of the Petitioner during FY 2024-25 will be entirely financed via loan by the State Govt at 13% rate of

interest. The Commission is of the view that as the rate of interest is higher than the rates currently prevailing in the market hence the Petitioner should look for options to consider the cheapest source available.

9.43 The Commission has currently considered an interest rate of 13% for the calculation of interest on loans for the control period. However, the Petitioner should explore options for loans with lower interest rates.

9.44 The Commission has approved the repayment for the year which has been deemed to be equal to the depreciation allowed for that year in accordance with JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.

9.45 The Commission has considered submissions of the Petitioner, and approved the Interest on Loan considering the capitalization approved in earlier para of this order and also considering the approved debt equity ratio for the control period in line with clause 10.6 to clause 10.14 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 as mentioned in the table below:

Table 83 Interest on Loan(Rs.Cr) as approved by the Commission for FY 2024-25

S.No	Particulars	Petition	Approved
1	Opening Loan	0.00	0.00
2	Loan for additional capex	14.67	8.09
3	Loan Repayment	0.83	0.48
4	Closing Loan	13.84	7.61
5	Average Loan	6.92	3.81
6	Interest Rate	13.00%	13.00%
7	Interest on Loan (Rs.Cr)	0.90	0.50

Interest on Working Capital

Petitioners Submission

9.46 The Petitioner has referred to clause 10.28 to clause 10.30 of JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of normative Working Capital which is referred below:

“Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- a. Operation and Maintenance expenses for one month;
- b. Receivables equivalent to 45 days of annual fixed cost; and
- c. Less: Interest on amount, if any, held as security deposits from the Users.”

“Interest on Working Capital

10.29 Rate of interest on working capital shall be equal to the Bank Rate as on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the SLDC has not taken working capital loan from any outside agency.”

9.47 The Petitioner has submitted that it has arrived at the working capital requirement according to the applicable norms as provided in the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020, the calculation for which has been shown in the following table. In line with the above Regulations actual MCLR rate prevailing on 30th September, 2023 i.e. 10.10% plus 350 basis points has been considered for calculation of interest on Working Capital for FY 2024-25.

Table 84 IoWC (Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petition
1	Operation and maintenance expenses for one month	0.51	0.58
2	Receivables equivalent to 45 days of Annual Fixed Cost	0.99	1.09
3	Less: Interest on amount, if any, held as security deposits from the Users.	0.00	0.00
4	Total Working Capital requirement	1.50	1.68
5	Interest on Working Capital (Rs.Cr)	0.16	0.23

Commissions Analysis

9.48 The Commission has referred to clause 10.28 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which describes the components for determining the working capital requirement as mentioned below:

“Interest on Working Capital

10.28 The Commission shall determine the Working Capital requirement containing the following components:

- a. Operation and Maintenance expenses for one month;*
- b. Receivables equivalent to 45 days of annual fixed cost; and*
- c. Less: Interest on amount, if any, held as security deposits from the Users.”*

9.49 The Commission accordingly has also referred to clause 10.29 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which provides methodology for calculation of rate of interest on working capital as given below:

“10.29 Rate of interest on working capital shall be equal to the Bank Rate as on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which true up exercise has been undertaken.

10.30 The interest on working capital shall be payable on normative basis notwithstanding that the SLDC has not taken working capital loan from any outside agency.”

9.50 The Commission with reference to the clauses mentioned in the above para has calculated IoWC considering the rate of interest of working capital equal to MCLR rate of the State Bank of India as on September 30th of the year in which the Petition is filed plus 350 basis points (i.e. 10.50%) as per clause 10.29 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020.

9.51 Accordingly, the Commission approves the Interest on Working capital for the FY 2024-25 as mentioned in the table below:

[Table 85 IoWC\(Rs.Cr\) as approved by the Commission for FY 2024-25](#)

S.No	Particulars	Petition	Approved
1	O&M expense for one month	0.58	0.55
2	Receivables to 45 days AFC	1.09	0.96
3	Less: Interest on amount, if any, held as security deposits from users	0.00	0.00
4	Total Working Capital Requirement	1.68	1.51
5	Interest Rate	13.60%	12.05%
6	Interest on Working Capital (Rs. Cr)	0.23	0.18

Non-Tariff Income

Petitioners Submission

9.52 The Petitioner has referred to clause 10.32 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which states as follows:

“10.32 The Non-Tariff Income shall include:

1. Income from rent of land or buildings;
2. Income from sale of scrap;
3. Income from investments;
4. Interest accrued on advances to suppliers/contractors;
5. Interest income on loans / advances to employees;
6. Income from rental of staff quarters;
7. Income by rental from contractors;
8. Income by hire charges from contractors and others;
9. Income by supervision charges, etc.;
10. Supervision charges for capital works;
11. Income from advertisements;
12. Income from sale of tender documents;
13. Income from Registration Fees;
14. Profit from sale of assets, i.e. difference of Sale value & Book value;
15. Any other Non-Tariff Income”

9.53 For projection of the non-tariff income for FY 2024-25, the Petitioner has considered a 5% increase over the actual non-tariff income of FY 2023-24. The Petitioner has submitted the Non-Tariff Income for financial year as given in the table below:

Table 86 Non-Tariff Income (Rs.Cr) as projected by the Petitioner for FY 2024-25

S.No	Particulars	Order dated 06.06.2024	Petition
1	Non-Tariff Income (Rs.Cr)	0.10	0.13

Commissions Analysis

9.54 The Commission has referred to clause 10.31 to clause 10.32 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which is mentioned as below:

“Non-Tariff Income

10.31 The Commission in its MYT/Tariff Orders shall specify the manner in which non-tariff income shall be accounted. The Commission may either deduct the same from the ARR or consider such revenue to fund capitalization schemes. Provided that in case the Commission allocates such income towards funding of capex schemes, no cost of capital (i.e., Interest on Loan or RoE) and depreciation shall be allowed to SLDC on Assets funded from such funds. Provided further that the SLDC shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

10.32 The Non-Tariff Income shall include:

- 1. Income from rent of land or buildings;*
- 2. Income from sale of scrap;*
- 3. Income from investments;*
- 4. Interest accrued on advances to suppliers/contractors;*
- 5. Interest income on loans / advances to employees;*
- 6. Income from rental of staff quarters;*
- 7. Income by rental from contractors;*
- 8. Income by hire charges from contractors and others;*
- 9. Income by supervision charges, etc.;*
- 10. Supervision charges for capital works;*
- 11. Income from advertisements;*
- 12. Income from sale of tender documents;*
- 13. Income from Registration Fees;*

14. Profit from sale of assets, i.e. difference of Sale value & Book value;

15. Any other Non-Tariff Income:

Provided that the interest earned from investments made out of return on equity corresponding to the Scheduling and System Operation Business of the SLDC shall not be included in Non-Tariff Income.

Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the SLDC.”

9.55 The Commission has noted that the Non-Tariff Income projected by the Petitioner mainly consists of Interest from bank (other than on F.D) and miscellaneous receipts. The Commission with reference to the above-mentioned clauses accordingly approves the Non-Tariff income for FY 2024-25 as given in the table below:

Table 87 Non-Tariff Income(Rs.Cr) as approved by the Commission for FY 2024-25

S.No	Particulars	Petition	Approved
1	Non-Tariff Income(Rs.Cr)	0.13	0.13

Summary of Aggregate Revenue Requirement approved by the Commission for FY 2024-25.

9.56 The Summary of ARR as approved by Commission for FY 2024-25 is given in the table below:

Table 88 ARR(Rs.Cr) as approved by the Commission for FY 2024-25

Particulars	FY 2024-25	
	Petition	Approved
O&M Expense	7.02	6.65
Depreciation	0.83	0.48
Interest on loans	0.90	0.50
Interest on working capital	0.23	0.18
Total Fixed Cost	8.98	7.81
Less: Non-Tariff Income	0.13	0.13
Annual Revenue Requirement (Rs.Cr)	8.86	7.68

Chapter 10 Determination of SLDC Charges for FY 2024-25

Petitioners Submission

- 10.1 The Petitioner has referred to clause 32(3) of the Electricity Act 2003 citing the requirement of SLDC charges which states as follows:

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

- 10.2 The Petitioner has also referred to clause A 11 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 which states the following:

“11.1 The SLDC Fees and Charges shall comprise State Load Despatch Centre Fees to be recoverable by SLDC towards registration for commencement of grid access and scheduling and annual charges to be collected in the form of Annual LDC Charges from users.

11.2 The Annual SLDC Charges shall correspond to the expenditure proposed to be incurred by the SLDC and as approved by the Commission. The Annual LDC Charges (ALC) as approved by the Commission shall be recovered on monthly basis.

11.3 The Monthly SLDC Charges shall be collected from the users as per the norms given below:

Monthly LDC Charges=Annual LDC Charges/12/ (Total Contracted Capacity)

Where,

Monthly LDC Charges is in Rs./MW/month

Annual LDC Charges is in Rs. (as approved by the Commission)

Total Contracted Capacity is the sum of the Average Transmission Capacity Contracted by the users during the month (in MW).”

- 10.3 The Petitioner has stated that as no tariff has been fixed till date for SLDC

hence no revenue has been generated by the Petitioner till date. The Petitioner has considered summation of ARR for FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24 and has arrived at the annual SLDC charge for FY 2024-25 as Rs.32.61 Cr.

10.4 The Petitioner has stated for FY 2024-25 that the contracted capacity of the system is being determined by considering the total power purchase capacity allocated to all the beneficiaries in the state of Jharkhand. The total power purchase capacity of the state is presently is 3491.73 MW.

10.5 The Petitioner based upon the projected capacity of the transmission capacity has calculated the monthly SLDC charges for FY 2024-25 as follows:

Table 89 SLDC charges as submitted by the Petitioner for FY 2024-25 (Rs/MW/Month)

S.No	Tariff Determination	Petition
1	Aggregate Revenue Requirement (Rs. Crore)	32.61
2	Contracted Capacity (MW)	3491.73
3	Monthly SLDC Charges (Rs./MW/Month)	7783.02

Commissions Analysis

10.6 The Commission has referred to clause A11 of the JSERC (Levy of Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2020 for determination of monthly SLDC charges as highlighted below:

“A 11. Levy and Collection of Fees and Charges

11.1 The SLDC Fees and Charges shall comprise State Load Despatch Centre Fees to be recoverable by SLDC towards registration for commencement of grid access and scheduling and annual charges to be collected in the form of Annual LDC Charges from users.

11.2 The Annual SLDC Charges shall correspond to the expenditure proposed to be incurred by the SLDC and as approved by the Commission. The Annual LDC Charges (ALC) as approved by the Commission shall be recovered on monthly basis.

11.3 The Monthly SLDC Charges shall be collected from the users as per the norms given below:



$\text{Monthly LDC Charges} = \text{Annual LDC Charges} / 12 / (\text{Total Contracted Capacity})$

Where, Monthly LDC Charges is in Rs./MW/month

Annual LDC Charges is in Rs. (as approved by the Commission)

Total Contracted Capacity is the sum of the Average Transmission Capacity Contracted by the users during the month (in MW). ”

- 10.7 The Commission is of the view that since FY 2024-25 has already elapsed hence there is no rational in providing SLDC charges for the said period however the Commission shall approve the SLDC charges for FY in the next petition to be submitted by the Petitioner.



Chapter 11 Directives

Submission of Fixed Asset Register

11.1 The Commission directs the Petitioner to prepare Fixed Asset Register before filing of the next petition. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts and filing of petitions/Business Plans/APR's in time.

Separate accounts/allocation statement

11.2 The Petitioner is directed to produce separate Audited Accounts/CA certified allocation statement along with Tariff Petitions for the Tariff proceedings of subsequent years.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on 30th April, 2025

Date: 30.04.2025

Place: Ranchi

Sd/-
Atul Kumar
MEMBER (Technical)

Sd/-
Mahendra Prasad
MEMBER (Law)

Chapter 12 ANNEXURE

Table 90 List of members of public who participated in the Public Hearing

Sr. No.	Name	Address/Organization
1	Bijoy Kumar Ghosh	JBVNL
2	Anurag Bodra	JBVNL
3	Shailesh Prakash	SLDC
4	Rimil Topno	SLDC
5	Raju Kachhap	SLDC
6	Ravishankar Kumar	JBVNL
7	Praveen Kumar	JUSNL
8	Sudhir Kumar	JUSNL
9	Sanjeev Lakra	JUSNL
10	Arun Kumar	SLDC
11	Mayur Mohan	JUSNL
12	Taneshwar Kumar	JUSNL
13	Anita Prasad	JBVNL
14	M. K karmali	JUSNL
15	Rajeev Ranjan	JUSNL
16	Amit Banerjee	JUSNL
17	S K Choudhary	SLDC
18	Ujjwala Kalyani Guria	JBVNL
19	Ashish Kumar	JUSNL
20	Gaurav Kumar	JUSNL
21	Avinash Alda	JUSNL
22	Jay Prakash Tirkey	JUSNL
23	Akhilesh Mishra	Medhaj
24	Gaurav Lohani	Medhaj
25	Basudeo Mahato	SLDC
26	Awanish Kumar	JUSNL