



**ASSAM ELECTRICITY REGULATORY COMMISSION
(AERC)**

TARIFF ORDER

March 29, 2023

**True-Up for FY 2021-22, APR for FY 2022-23, ARR
and Tariff for FY 2022-23**

for

**Assam Electricity Grid Corporation Limited
(AEGCL)**

Petition No. 18/2022

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List of Abbreviations

A&G	Administrative and General
ABITA	Assam Branch of Indian Tea Association
ADB	Asian Development Bank
AEGCL	Assam Electricity Grid Corporation Limited
AERC	Assam Electricity Regulatory Commission
APDCL	Assam Power Distribution Company Limited
APGCL	Assam Power Generation Corporation Limited
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AS	Accounting Standards
ASEB	Assam State Electricity Board
BST	Bulk Supply Tariff
CAG/C&AG	Comptroller and Auditor General
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPC	Central Pay Commission
CPI	Consumer Price Index
CSGS	Central Sector Generating Stations
CTU	Central Transmission Utility
CWIP	Capital Work-In-Progress
DA	Dearness Allowance
DISCOM	Distribution Company
EAP	Externally Aided Projects
EPFI	Employees' Pension Fund Investment
FAR	Fixed Asset Register
FCC	Financial Completion Certificate
FINER	Federation of Industry & Commerce of North Eastern Region
FIRR	Financial Internal Rate of Return
GFA	Gross Fixed Assets
GoA	Government of Assam
GPF	General Provident Fund
H1	First Half of the year
H2	Second Half of the year

HRA	House Rent Allowance
IWC/loWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt Hour
LTA	Leave Travel Allowance
MCA	Ministry of Corporate Affairs
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NERLDC	North Eastern Region Load Despatch Centre
NTPC	NTPC Ltd.
O&M	Operation and Maintenance
PCC	Physical Completion Certificate
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
R&M	Repairs and Maintenance
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
ROI	Rate of Interest
ROP	Revision of Pay
SAC	State Advisory Committee
SBI	State Bank of India
SLDC	State Load Despatch Centre
SLM	Straight Line Method
STOA	Short Term Open Access
STU	State Transmission Utility
TSC	Transmission Service Charges
TVS	Technical Validation Session
WPI	Wholesale Price Index

ASSAM ELECTRICITY REGULATORY COMMISSION

Guwahati

Present

Shri K. S. Krishna, Chairperson

Shri S. N. Kalita, Member

Shri A. Bhattacharyya, Member

Petition No. 18/2022

Assam Electricity Grid Corporation Limited (AEGCL) - **Petitioner**

ORDER

(Passed on March 29, 2023)

- (1) AEGCL filed the Petition for approval of Truing up for FY 2021-22 as per MYT Regulations, 2018, Annual Performance Review (APR) for FY 2022-23 Aggregate Revenue Requirement (ARR) and determination of Tariff for FY 2023-24 as per MYT Regulations, 2021 on November 30, 2022. The same was registered as Petition No. 18/2022.
- (2) The Commission held an Admissibility Hearing on December 14, 2022, and admitted the Petition No.18/2022 with direction to furnish the additional data and clarifications, as sought vide letter dated December 14, 2022.
- (3) On admission of the Petition (Petition No. 18/2022), in accordance with Section 64 of the Electricity Act, 2003 (EA 2003), the Commission directed AEGCL to publish a summary of the ARR and Tariff filing in local dailies to facilitate due public participation.
- (4) A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL, and offices of the Deputy General Manager of each circle of AEGCL. A copy of the Petition was also made available on the websites of the Commission and

AEGCL.

- (5) Accordingly, a Public Notice was issued by the AEGCL inviting objections/suggestions from respondents to be submitted on or before January 21, 2022. The notice was published in seven (7) leading newspapers of the State on December 20 and 21, 2022.

Date	Name of Newspaper	Language
20.12.2022	The Assam Tribune	English
	Amar Asom	Assamese
	Dainik Asom	Assamese
	Purbanchal Prahari	Hindi
	Dainik Jugasankha	Bengali
21.12.2022	Thekar	Karbi
	Bodosa	Bodo

- (6) In response to the Commission's letter dated December 14, 2022, AEGCL submitted their replies on December 30, 2022.
- (7) A Technical Validation Session (TVS) was also held on January 11, 2023 at the conference room of the Commission.
- (8) The Petitions were also discussed in the 32nd Meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the EA 2003) held on February 10, 2023 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.
- (9) The Commission received suggestions/objections from Three (3) stakeholders on the Petition filed by AEGCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A notice was also published in Newspapers inviting participation from the general public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 28, 2023 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions. The details are discussed in Chapters attached to this Order.
- (10) The Commission, now in exercise of its powers and functions vested under Sections 61, 62, 86 and 181 of the EA 2003 and all other powers enabling it in this behalf and taking into consideration the submissions made by the Petitioner, objections and suggestions received from stakeholders and all other relevant materials on record, has

approved the Truing up for FY 2021-22, APR for FY 2022-23, ARR and determined the Tariff for FY 2023-24 as detailed in Chapters attached to this Order.

- (11) The Commission directs AEGCL to publish a Public Notice intimating the revised Transmission Tariff before the implementation of this Order, in English and Vernacular newspapers and on the website of AEGCL.
- (12) The approved Transmission Tariff shall be effective from April 1, 2023 and shall continue until replaced by any subsequent Order of the Commission.

Accordingly, the Petition No. 18/2022 stand disposed of.

Sd/-
(A Bhattacharyya)
Member, AERC

Sd/-
(S. N. Kalita)
Member, AERC

Sd/-
(K. S. Krishna)
Chairperson, AERC

1 INTRODUCTION

1.1 Constitution of the Commission

The Assam Electricity Regulatory Commission (hereinafter referred to as the AERC or the Commission) was established under the Electricity Regulatory Commissions Act, 1998 (14 of 1998) on February 28, 2001. The first proviso of Section 82(1) of the Electricity Act, 2003 (hereinafter referred as the Act or the EA 2003) has ensured continuity of the Commission under the EA 2003.

The Commission is mandated to exercise the powers and functions conferred under Section 181 of the EA 2003 (36 of 2003) and to exercise the functions conferred on it under Section 61, 62 and 86 of the Act from June 10, 2003.

1.2 Tariff related Functions of the Commission

Under Section 86 of the Act, the Commission has the following tariff related functions:

- a) To determine the tariff for electricity, wholesale, bulk or retail, as the case may be;
- b) To regulate power purchase and procurement process of the 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;
- c) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

Under Section 61 of the Act in the determination of tariffs, the Commission is to be guided by the following:

- a) The principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
- b) That the electricity generation, transmission, distribution and supply are conducted on commercial principles;
- c) That factors which would encourage efficiency, economical use of the resources, good performance, optimum investments, and other matters which the State commission considers appropriate for the purpose of this Act;

- d) The interests of the consumers are safeguarded and at the same time, the consumers pay for the use of electricity in a reasonable manner based on their customer category cost of supply;
- e) That the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency and also gradually reduces cross subsidies;
- f) The National Power Plans formulated by the Central Government including the National Electricity Policy and Tariff Policy.

1.3 Background

AEGCL is the successor corporate entity of erstwhile Assam State Electricity Board (ASEB) formed pursuant to the notification of the Government of Assam (GoA), notified under sub-sections (1), (2), (5), (6) and (7) of Section 131 and Section 133 of the EA 2003 (Central Act 36 of 2003), for the purpose of transfer and vesting of functions, properties, interests, rights, obligations and liabilities, along with the transfer of personnel of the ASEB to successor entities.

AEGCL owns and operates the transmission system previously owned by ASEB. AEGCL has started functioning as a separate entity from December 10, 2004.

1.4 Multi Year Tariff Regulations, 2018

The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2018 (herein after referred as “MYT Regulations, 2018”) on July 17, 2018. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of three financial years from April 1, 2019 onwards up to March 31, 2022.

Regulation 4.2 of the MYT Regulations, 2018 specifies the MYT framework as reproduced below:

“4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Companies, Transmission Licensee, SLDC, Distribution Wheeling Business and Retail Supply Business:

...

(vi) Annual Performance review vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors beyond the control of the applicant (uncontrollable items) shall be undertaken by the Commission;

(vii) True up of the past years based on audited annual accounts of the licensees and the Generation companies.

(viii) The mechanism for pass-through of approved gains or losses on account of uncontrollable items as specified by the Commission in these Regulations;

(ix) The mechanism for sharing of approved gains or losses arising out of controllable items as specified by the Commission in these Regulations;

(x) Tariff determination for Generating Companies, SLDC, Transmission Licensee and Distribution Wheeling Business and Retail Supply Business, for each financial year within the Control period based on the approved forecast. The tariff shall be reviewed at the time of the true-up and annual performance review.

(xi) There will be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. The variations in the controllable items, as defined in regulation 10, over and above the norms specified will be governed by incentive and penalty framework specified in these regulations.

...”

1.5 Multi Year Tariff Regulations, 2021

The Commission, in exercise of the powers conferred under Section 61 read with Section 181(2) (zd) of the Act, notified the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021 (herein after referred as “MYT Regulations, 2021”) on September 18, 2021. These Regulations are applicable for determination of Tariff for Generation, Transmission, SLDC, Wheeling and Retail Supply for the Control Period of three financial years from April 1, 2022 onwards up to March 31, 2025. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.

Regulation 4.2 of the MYT Regulations, 2021, specifies the MYT framework, as reproduced below:

“4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Companies, Transmission Licensee, SLDC, Distribution Wheeling Business and Retail Supply Business:

(xiii) Before commencement of Control Period, a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariff and charges shall be submitted by the applicant and approved by the Commission;

(ii) A detailed Capital Investment Plan for each year of the Control Period, shall be submitted by the applicant for the Commission’s approval;

(iii) The applicant shall submit operating norms and trajectories of performance parameters for each year of the Control Period, for the Commission’s approval;

(iv) The applicant shall submit the forecast of Aggregate Revenue Requirement and expected revenue from existing tariff for each year of the Control Period, and the Commission shall approve the tariff for Generating Companies, SLDC, Transmission Licensee, Distribution Wheeling Business and Retail Supply Business, for each year of the Control Period;

(v) In its tariff petition, a generating company shall submit information to support the determination of tariff for each generating station

(vi) Annual Performance review vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors beyond the control of the applicant (uncontrollable items) shall be undertaken by the Commission;

(vii) True up of the past years based on audited annual accounts of the licensees and the Generation companies.

(viii) The mechanism for pass-through of approved gains or losses on account of uncontrollable items as specified by the Commission in these Regulations;

(ix) The mechanism for sharing of approved gains or losses arising out of controllable items as specified by the Commission in these Regulations;

(x) Tariff determination for Generating Companies, SLDC, Transmission Licensee and Distribution Wheeling Business and Retail Supply Business, for each financial year within the Control period based on the approved forecast. The tariff shall be reviewed

at the time of the true-up and annual performance review.

(xi) There will be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. The variations in the controllable items, as defined in regulation 10, over and above the norms specified will be governed by incentive and penalty framework specified in these regulations.

(xii) The tariff determined by the Commission and the directions given in the MYT order shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the time period specified in the order, be subject to the compliance of the directions by the generating company and the licensees to the satisfaction of the Commission. Non-compliance of directions given in the tariff order may also lead to invocation of the provisions of section 142 of the Act.

(xiii) The tariff determined by the Commission shall continue to operate till it is modified or revised by the Commission.”

1.6 Procedural History

As per Regulation 4.2 of the MYT Regulations, 2021, AEGCL is required to file an application for Truing up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 for AEGCL, Aggregate Revenue Requirement (ARR) and determination of Tariff for FY 2023-24, not less than 120 days before the close of the current financial year.

AEGCL filed Petition for approval of Truing up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 for AEGCL, Aggregate Revenue Requirement (ARR) and determination of Tariff for FY 2023-24 as per MYT Regulations, 2021 on November 30, 2022. The same was registered as Petition No. 18/2022.

The Commission held an Admissibility Hearing on December 14, 2022, and admitted the Petition (Petition No. 18/2022) with direction to furnish the additional data and clarifications, as sought vide letter dated December 14, 2022.

On admission of the Petitions in accordance with Section 64 of the EA 2003, the Commission directed AEGCL to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.

A copy of the Petition and other relevant documents were also made available to the consumers and other interested Parties at the office of the Managing Director of AEGCL, and

offices of the Deputy General Manager of each circle of AEGCL. A copy of the Petition was also made available on the websites of the Commission and AEGCL.

Accordingly, a Public Notice was issued by AEGCL inviting objections/suggestions from respondents to be submitted on or before January 21, 2022. The notice was published in five (5) leading newspapers of the State on December 20 and 21, 2022:

Date	Name of Newspaper	Language
20.12.2022	The Assam Tribune	English
	Amar Asom	Assamese
	Dainik Asom	Assamese
	Purbanchal Prahari	Hindi
	Dainik Jugasankha	Bengali
21.12.2022	Thekar	Karbi
	Bodosa	Bodo

In response to the Commission's letter dated December 14, 2022, AEGCL submitted their replies on December 30, 2022.

The Commission received suggestions/objections from three (3) stakeholders on the Petitions filed by AEGCL. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A News Paper notice was also published inviting participation from the General Public as well as the Respondents. The Hearing was held at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 28, 2023 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions.

All the written representations submitted to the Commission and oral submissions made before the Commission in the Hearing and the responses of AEGCL have been carefully considered while issuing this Tariff Order. The major issues raised by different consumers and consumer groups along with the response of AEGCL, and views of the Commission are elaborated in Chapter 3 of this Order.

1.7 State Advisory Committee Meeting

A meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Act) was convened on January 30, 2023 at Bidyut Niyamak Bhawan, Six Mile, Guwahati, and

members were briefed on the MYT Petition of AEGCL. The Minutes of the SAC Meeting are appended to this Order as **Annexure 1**.

2 Summary of AEGCL's Petition

2.1 Background

AEGCL submitted the Petition on November 30, 2022 seeking approval of ARR and determination of Transmission Charges for FY 2023-24 from True Up of FY 2021-22, Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement for FY 2023-24. The Transmission Charges are to be recovered from the Assam Power Distribution Company Limited (APDCL), IPPs and other generators, traders and others who utilize the transmission system.

2.2 True-up for FY 2021-22

AEGCL submitted the True-up for FY 2021-22 based on the audited accounts. The summary of Aggregate Revenue Requirement (ARR) and Revenue Gap/(Surplus) claimed by AEGCL for FY 2021-22 is shown in the following Table:

Table 1: True-up for FY 2021-22 as submitted by AEGCL (Rs. Crore)

S.N.	Particulars	Approved in T.O. dtd 15.02.2021	AEGCL Submission
1	O&M Expenses	219.59	221.06
a	Employee Cost	185.10	186.23
b	R&M Expenses	23.84	24.31
c	A&G Expenses	10.26	10.21
d	Training Expenses	0.40	0.30
2	Depreciation	35.97	51.91
3	Interest & Finance Charges	24.06	20.00
4	Interest on Working Capital	11.06	12.21
5	BST for Pension Trust Fund	146.64	153.94
6	Return on Equity	15.49	15.49
7	Income Tax	-	-
8	Other debits	-	3.39
9	Less: Non-Tariff Income/ Other Income	63.73	54.80
10	Aggregate Revenue Requirement	389.09	423.18
11	Incentive on Transmission Availability	-	2.64
12	Add: Sharing of (Gains)/Loss	-	(9.91)
13	ARR after Sharing (Gains)/Losses and Incentive	389.09	415.92

S.N.	Particulars	Approved in T.O. dtd 15.02.2021	AEGCL Submission
14	Revenue with Approved Tariff for FY 2021-22	389.09	389.09
15	Less: Revenue from STOA/MTOA Charges	-	11.94
16	ARR after reducing revenue from STOA/MTOA charges	389.09	403.98
17	Revenue Gap /(Surplus) for FY 2021-22	-	14.89

2.3 Annual Performance Review of FY 2022-23

AEGCL submitted the APR of FY 2022-23 based on the actual expenses incurred in the first half of FY 2022-23, as shown in the Table below:

Table 2: Annual Performance Review for FY 2022-23 (Rs. Crore)

S.N.	Particulars	Approved in T.O. dtd 21.03.2022	FY 2022- 23 H1	FY 2022- 23 H2	AEGCL Estimation
1	O&M Expenses	223.11	119.53	119.53	239.05
a	Employee Cost	184.39	99.59	99.59	199.18
b	R&M Expenses	28.89	14.56	14.56	29.12
c	A&G Expenses	9.83	5.38	5.38	10.75
2	Depreciation	35.96	56.89	56.89	113.78
3	Interest & Finance Charges	24.32	7.56	7.56	15.11
4	Interest on Working Capital	12.30	8.52	8.52	17.04
5	BST for Pension Trust Fund	214.38	113.42	113.42	226.85
6	Return on Equity	13.68	33.25	33.25	66.51
7	Other debits	-	2.71	2.29	5.00
8	Contribution towards Contingency Reserve	2.71			2.74
9	Less: Non-Tariff Income/ Other Income	54.01	34.35	19.66	54.01
10	Aggregate Revenue Requirement	472.45	308.90	323.17	632.07
11	Incentive on Transmission Availability	-	-	-	-
12	Aggregate Revenue Requirement after incentive	472.45	308.90	323.17	632.07
13	Less: Revenue from STOA/MTOA Charges	12.00	3.16	8.84	12.00

S.N.	Particulars	Approved in T.O. dtd 21.03.2022	FY 2022-23 H1	FY 2022-23 H2	AEGCL Estimation
14	Net Aggregate Revenue Requirement	460.45	305.74	314.33	620.07
15	Revenue with Approved Tariff for FY 2022-23	460.45	-	-	460.45
16	Revenue Gap /(Surplus) for FY 2022-23	-	-	-	159.62

2.4 Revised ARR & Tariff Determination for FY 2023-24

AEGCL has projected the ARR as detailed in the Table below:

Table 3: ARR for FY 2023-24 as submitted by AEGCL

S. No.	Particulars	As per MYT order dated 21.03.2022	FY 2023-24
1	O&M Expenses	234.74	259.07
A	Employee Cost	196.54	213.02
B	R&M Expenses	27.97	34.72
C	A&G Expenses	10.23	11.33
2	Depreciation	37.46	124.19
3	Interest & Finance Charges	22.36	5.16
4	Interest on Working Capital	13.86	18.81
5	BST for Pension Trust Fund	231.75	229.11
6	Return on Equity	14.02	119.53
7	Contribution to Contingency Reserve	2.91	2.91
8	Less: Non-Tariff Income/ Other Income	54.01	54.01
9	Add: Incentive for FY 2015-16	-	10.60
10	Aggregate Revenue Requirement	503.11	715.39
11	Less: Revenue from STOA/MTOA Charges	12.00	12.00
12	Net Aggregate Revenue Requirement	491.11	703.39

2.5 Prayers of AEGCL

AEGCL, in its Petition, has prayed as under:

- a) The Hon'ble Commission notified the AERC (Terms and Conditions for determination of MYT) Regulations, 2018 (hereinafter to be referred as MYT Regulations 2018) which are applicable for determination of tariff from 1st April 2019 onwards and have defined control period from FY 2019-20 to FY 2021-22. As per the provisions of these MYT Regulations, 2018, AEGCL is filing the true up petition for FY 2021-22 based on Audited Annual Accounts for consideration of the Hon'ble Commission along with the specified formats providing information on various operational and performance parameters.
- b) Since FY 2021-22 is completed and Audited Annual Accounts for the said year are now available, hence AEGCL is filing the true up petition for FY 2021-22 along with audited accounts as per the provisions of MYT Regulations, 2018.
- c) Thereafter, Hon'ble Commission vide Order dated 15th February 2021 approved the ARR for FY 2021-22. As per the provisions of the MYT Regulations 2018
- d) Further on 22nd September 2021, the Hon'ble Commission notified AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021(hereinafter to be referred as MYT Regulations 2021) which are applicable from 1st April 2022.
- e) As per the provisions of the MYT Regulations, 2021, AEGCL is filing Annual Performance Review petition for FY 2022-23 based on 6 months actual (1st April 2022 to 30th September 2022) and 6 months estimation (1st Oct 2022 to 31st Mar 2023) and Aggregate Revenue Requirement for 2023-24

3 Brief Summary of Objections Raised, Response of the AEGCL and Commission's Comments

3.1.1 The Commission has received suggestions/objections from Three (3) stake holders on the Petition filed by AEGCL, from the following objectors:

Sl. No.	Name of objector
1	Federation of Industries and Commerce of North Eastern Region (FINER)
2.	Assam Branch of Indian Tea Association (ABITA)
3.	Consumer Advocacy Cell (CAC)

3.1.2 AEGCL submitted its responses to the objections/suggestions received from the above objectors.

3.1.3 The Commission considered the objections/suggestions received and notified the objectors to take part in the Hearing process by presenting their views in person before the Commission, if they so desired.

3.1.4 The Commission held the Hearing at the Court room of AERC, Guwahati on February 28, 2023

3.1.5 The objectors attended the Hearing and submitted their views/suggestions. All the written representations submitted to the Commission and the oral submission made before the Commission in the Hearing and the responses of APDCL have been carefully considered while issuing this Tariff Order.

3.1.6 The objections/suggestions made by the objectors and responses of the Petitioner are briefly dealt with in this Chapter. The major issues raised by the objectors are discussed below along with the response of the Petitioner (AEGCL) and views of the Commission.

3.1.7 While all the objections /suggestions have been given due consideration by the Commission, only major responses/objections received on the Petitions and also those raised during the course of Hearing have been grouped and addressed issue-wise, in order to avoid repetition.

Issue 1: Operation and Maintenance (O&M) Expenses

Objections:

FINER submitted that AEGCL's normative O&M expenses are significantly higher as compared to audited O&M expenses. The Audited Accounts reveal that the actual expenses for the FY 2021-22 are Rs. 191.04 Crore, but the claim made by the Petitioner is 116% above the Actual expenses incurred. Owing to such normative expenses being significantly higher as compared to audited O&M expenses, it is submitted that the norms approved by the Commission in the past have been on higher side. In line with the provisions of the Act as well as National Tariff Policy 2016, the Respondent humbly pleads before the Hon'ble Commission to consider the O&M expenses at lower of actuals and normative.

ABITA submitted that AEGCL has claimed O&M expenses of Rs. 221.06 Crore. based on methodology specified in Tariff Regulations, 2018. ABITA has reviewed the calculations, actual expenses as per the audited accounts and considered the actual or the normative expense as per the Tariff Regulations, 2018 and arrives at Rs 178.86 Crore.

CAC submitted that, as per P&L account for FY21-22 the actual employee's expenses were Rs.169.44 Crore whereas per normative calculation it came to 186.23 Crore. Similarly, R&M expenses claimed by AEGCL was Rs.24.31 Crore (normative) against an actual expenditure of Rs.13.62 Crore and A&G expenses claimed were Rs.10.21 Crore as normative against Rs.13.63 Crore as actual.

Response of AEGCL

AEGCL submitted that the normative computation made by AEGCL is 16% higher than the actual expenses and not 116%. AEGCL has claimed O&M expenses as per the Regulation 66.10 of AERC (MYT) Regulations, 2018. Also, one-third of the gain or losses (difference between Normative and Actual) are shared with APDCL as per the Regulation.

In reply to CAC, AEGCL submitted that the actual Employee Expense as per the Audited Annual Accounts of AEGCL for FY 2021-22 is Rs. 169.86 Crore including Employee Expense of SLDC amounting to Rs. 5.87 Crore. However, the normative computation of Employee Expenses as per AERC Tariff Regulations, 2018 works out to Rs. 186.23 Crore and as per sharing mechanism, one-third of the difference between normative and actual has been shared with APDCL. Same is done with A&G and R&M expenses.

Commission's View

The Commission has allowed the normative O&M expenses and computed sharing of gains/(losses) with respect to the actual O&M expenses in accordance with the MYT Regulations, 2018.

Issue 2: Return on Equity

Objections

ABITA submitted that AEGCL has considered opening equity, additional equity during the year based on financing of capitalization, rate of return @13.50% as per 2021 Regulations without considering the additional ROE for capitalization targets.

ABITA has taken into account opening equity, additional equity permitted up to 30% as per 2021 Regulations and remaining as debt and computed ROE on the average equity during the year. In view of the above, ROE arrived at Rs. 13.49 Crore.

FINER submitted that, The Petitioner has proposed Equity addition of NIL for the FY 2023-24 however it has considered the opening equity for FY 2023-24 based on the adjusted equity proposed by it owing to State Cabinet's sanction on conversion of Loan/ grants to equity. As pointed out in preceding section, impact of such conversion should not be passed onto the consumers of the state.

In view thereof, FINER prayed before the Commission to disallow the claims of petitioner with respect to opening equity for the FY 2023-24 and consider the equity balances assessed by the Respondent in preceding sections. In view of the above, ROE arrived at Rs. 14.49 Crore.

CAC submitted that, an amount of Rs.2593.46 Crore grant and loan was converted into equity which impacted return on equity by Rs. 52.91 Crore. Similarly in O&M expenses and other heads also normative expenses would rise to Rs.620.70 Crore against an approved one of Rs.460.45 Crore. There is hardly any change in transmission losses in comparison to the past. An estimated 11,922.38 Mu of energy is to be transmitted by it to the door step of APDCL. Therefore, the wheeling charge of 52.06 P/unit, a hike of almost 50% over FY 21-22. An extensive scrutiny of the figures is necessary. Considering WPI and CPI rise for the 22-23 the above rate appears unreasonable by all account. We pray to AERC to take a cognizance of it.

Response of AEGCL

AEGCL submitted that detailed computation of Return on Equity as shown in the Tariff Petition is in accordance with Regulation 34 of MYT Regulation 2021 and similarly the Return on Equity is computed for FY 2023-24 considering the impact of conversion of Govt Loan and Grants as on 31.03.2021 into equity vide GoA notification no. PEL.58/2021/Pt/105 dated 03.02.2022. Further, AEGCL requests the Commission to approve the same.

Commission's View

The return on equity were approved by the Commission separately in the MYT Order and have been trued-up accordingly, as detailed in the relevant Chapter of this Order.

Issue 3: Depreciation

Objection

FINER submitted that the Petitioner has claimed depreciation amounting to Rs. 51.91 Crore for FY 2021-22. The Petitioner has added the depreciation on assets created out of consumer contribution/ grants also as evident from the fact that the grants recognized by the Commission and as per the petitioner do not fall in synergy. The basis on which the grants have been considered has nowhere substantiated in the Petition. Such an approach is not in line with the provisions laid down in the Tariff Regulation 2018. Further, the petitioner has not furnished the statement of grants (opening balance, addition to grants). Moreover, the Depreciation added during the year is provided but the methodology of the computation of Depreciation is not explained in the Petition. It is also requested that Petitioner provide very clearly if any of transmission work is done against "Deposit Works" i.e., on payment by the beneficiary which may be generator or an Open Access customer.

ABITA submitted that AEGCL has claimed a net depreciation of Rs. 51.80 Crore. after deducting depreciation towards assets funded through grant/consumer contribution. ABITA has followed the methodology as per the previous Tariff Orders and recomputed depreciation and arrived at Rs 39.99 Crore.

CAC submitted that in the true up for 21-22, the depreciation has been indicated as Rs 51.91Crore against Rs.124.10 Crore in the balance sheet.

Response of AEGCL

AEGCL submits that the methodology of calculation of “Grants towards GFA” is computed based on the formula described in the Tariff Order dated 19th Mar 2018 for True Up of FY 2016-17 and Review Order dated 25th June 2019 for True Up of FY 2017-18. Moreover, GFA, Opening CWIP and Grant for FY 2021-22 has been considered as per the Audited Annual Accounts for FY 2021-22.

Further, it is pertinent to mention that the depreciation amounting to Rs. 51.91 Crore is excluding assets funded through grant as mentioned in the Petition and therefore, request the Commission to approve the same.

AEGCL, in reply to CAC’s comments, submitted that in the Audited Annual Accounts, depreciation has been provided as per Schedule II of the Companies Act 2013 and in the True Up Tariff Petition for FY 2021-22, depreciation has been claimed as per the AERC Tariff Regulations, 2018, excluding the assets funded through Govt. Grants/Consumer Contribution.

Commission’s View

The Commission has allowed depreciation in accordance with the MYT Regulations, 2018. The same is detailed in the relevant Chapter.

Issue 4: Transmission Loss

Objection

ABITA submitted that AEGCL has submitted actual transmission loss of 3.32% for FY22 as against 3.29% as approved by the Commission in 2022 Order. It is pertinent to mention that the Transmission losses of various STUs are in the range of 2-3% while that of AEGCL would be amongst the highest in the country. Reduction of transmission loss would help in reducing the overall cost of delivered power to the consumer and AEGCL should be continuously working towards the same.

The Petitioner has considered Transmission losses to be 3.30% for FY 2022-23, FY 2023-24 and FY 2024-25. However, the Transmission Losses as approved by the Commission in the previous MYT Order dated 1st March 2019 is 3.29% for FY 2021-22. Hence, the Commission should maintain the regulatory norms and not relax the same for AEGCL.

CAC submitted that, AEGCL has admitted that an accurate assessment of losses within its system, was not possible because of lack of simultaneous meter readings in its system. Therefore, the losses indicated is not accurate. Secondly identification of the leakage points of the system are yet to be identified. The above points were raised by MD in the past also. Also, redressal measures to make the inactive meters (at places) function again was promised. AEGCL should clarify whether the above action have been taken. If not when the redressal work would be done.

Response of AEGCL

AEGCL submitted that the Transmission loss in an integrated grid is a function of many parameters like node voltage, required reactive compensation provided at the downstream distribution network, Physical state of the conductor, transformers, line length etc. In case of AEGCL, the historical legacy of the past should also be noted. It is only in the recent years that the state grid has witnessed considerable expansion of EHV transmission system together with augmentation & replacement of transformers and conductors. The process for establishment of more and more grid substations along with 132 KV & 220 KV level transmission corridors is still going on. This will obviously reduce the need for long 33 KV connectivity thereby improving the node voltage and hence reducing the transmission loss. Compared to many other bigger STU s, AEGCL's majority of bulk power transmission is through 132 KV system wherein the share of 220 KV network is on higher side in most of the STUs.

AEGCL is constantly endeavouring to achieve further low in our transmission loss. We are confident that as the commissioning of new substation and line progresses, AEGCL will surely achieve a loss figure of 3% or below. But at the moment, with all constraints, the transmission loss percentage of 3.32% is a reasonable datum.

In reply to CAC's comment, AEGCL submitted that, the transmission loss is assessed on the basis of the difference in the energy of the Ex-bus energy received from ISTS lines (plus other lines emanating from other generating stations) and the energy sent out to APDCL and Open Access consumers (if any)). However, after commissioning of the SAMAST meters, the more efficient energy accounting system will be in place.

Commission's View

The Commission has noted the submissions made and considered these while approving the transmission loss trajectory for the MYT Control Period from FY 2022-23 to FY 2024-25. AEGCL has been directed to submit the Energy Audit report with details of Transmission Losses every year along with the next Tariff Petition.

Issue 5: Transmission Availability: 220 KV Rangia DC/ BTPS Line:

Objections

CAC submitted that in the past meeting in AERC, AEGCL admitted that in order to admit power from BTPS the above-mentioned line was constructed. Yet for transmitting the contracted load from BTPS to APDCL interface through the above line could not be affected. Consequently, the line remained underloaded and APDCL had to pay deemed generation charge to NTPC without availing its share. Later on, through PGCIL's networks power was flowing to APDCL by paying extra wheeling charge. What action has been taken by AEGCL to make full utilization of its assets?

Response of AEGCL

AEGCL submitted that there has not been any backdown of NTPC generation due to transmission constraint of AEGCL as confirmed by SLDC. NTPC evacuates its full generation through 220kV D/C NTPC-BTPS line and 400kV D/C NTPC -Salakati (PGCIL) circuits. Any real time reduction in the requisition of power from NTPC is as per APDCL's commercial considerations only. Load flow from BTPS to Rangia will further increase with the expecting commissioning of Rangia-Amingaon D/C line (which is expected shortly under NERPSIP Project). Also, upgradation of 2x100 MVA Transformers to 2x 200 MVA transformers is under process which is already approved by GoA under SOPDG in phase manner.

Commission's View

The Commission has noted the submissions.

Issue 6: Low Supply voltage at Nalkata & Dhemaji GSS:

Objection:

CAC submitted that the voltage at the above GSS indicated in the table needed improvement and the point was raised by CAC requesting remedial measures. However, nothing concrete has been done yet. On the contrary AEGCL is proposing to get power at the GSS from Arunachal via PGCIL network at an extra high wheeling charge passed to the consumers rather than measures taken on its own which could have resulted in saving its transmission loss. If in 2021-22 the above situation still

existed there is little rationale to give any incentive of Rs.2.64 Crore claimed by AEGCL wheeling charges paid to PGCIL needs to be deducted from this account.

Response of AEGCL

AEGCL submitted that the it maintains system voltage at different nodes as per the prescribed limits of IEGC. AEGCL expects the voltage to improve in near future in Nalakata and Dhemaji. Already the capacitor bank at 33kV bus of Nalkata has been revived and another 33kV capacitor bank at Dhemaji is planned to be commissioned. Once 132kV Silapathar substations commissioned, the voltage profile of entire Dhemaji district will improve. Bus profile at Nalkata and Dhemaji will further improve with the commissioning of 132kV Nirjulee-Pare LILO at Nalkata. However, AEGCL cannot on its own maintain the 33kV bus voltage at the desired level unless sufficient reactive compensation (through capacitor banks etc.) is provided at the receiving end -either at 33kV and downstream level substations or bulk consumers. As the load is predominantly inductive and draws power at lagging power factor. AEGCL is executing a number of projects under different schemes (TDF, AIIB, NERPSIP, AIFA etc.) for expansion and augmentation of its transmission system.

Commission's View

The Commission has noted the submissions.

Issue 7: Bulk Supply Tariff (BST)

Objections

ABITA submitted that, AEGCL has claimed Rs. 153.94 Crore. towards Special Charges on Bulk Supply Tariff for FY 2021-22. ABITA requests the Commission to do the prudence check and only Allow BST as applicable for the energy injected into discom.

Response of AEGCL

AEGCL submits that the BST has been computed @Rs. 0.15 per kWh of energy sent out to APDCL as certified by SLDC. AEGCL requests the Hon'ble Commission to approve the special charges on BST amounting to Rs. 153.94 Crore without any disallowance.

Commission's views

The Commission has noted the submissions. The BST for pension trust fund has been allowed as elaborated in the relevant chapters.

4 Truing up for FY 2021-22

4.1 Methodology for Truing Up

The Commission had approved the Tariff for FY 2021-22 in the Order dated February 15, 2021.

AEGCL submitted the Truing-up Petition for FY 2021-22 based on audited annual accounts and provisions of MYT Regulations, 2018, wherever applicable. AEGCL has sought true-up for FY 2021-22, with the Revenue Gap/(Surplus) to be recovered/adjusted during FY 2023-24.

The Commission approves the cost parameters through approval of the ARR at the beginning of the year, keeping in view the data available at that point of time. The cost approvals for each of the items are based on projection of expenses and revenue before beginning of the year and the provisions of MYT Regulations, 2018. The projections might vary over the course of the year.

The actual cost/values for certain elements/parameters may vary as against the approved cost during the year due to various controllable and uncontrollable factors. The Licensee may end up with higher or lower expenditure, as the case may be, at the end of the year as against the approved cost.

The Commission analyses the actual expenditure for the previous year/years based on the audited Annual Accounts of the Licensee and allows/disallows the recovery of the actual expenditure through the ensuing year's tariff, subject to prudence check.

In the present Chapter, the Commission has carried out the Truing up for FY 2021-22 based on the submissions of AEGCL, audited annual accounts for FY 2021-22 and provisions of MYT Regulations, 2018.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of AEGCL for FY 2021-22, and undertaken the truing-up of expenses and revenue in accordance with the MYT Regulations, 2018. The Commission has approved the sharing of gains and losses on account of controllable factors between AEGCL and its beneficiaries, in accordance with Regulation 12 of the MYT Regulations, 2018.

4.2 Transmission Loss

AEGCL submitted the Transmission Loss of 3.32% for FY 2021-22 for the purpose of Truing up, as shown in the following Table:

Table 4: Transmission Loss for FY 2021-22 as submitted by AEGCL (MU)

Sr. No.	Particulars	Approved in T.O. dt. 15.02.2021	AEGCL Submission
1	Energy Injected		10890.16
2	Energy Sent Out to APDCL & OA Consumers		10262.67
3	Energy Sent Out to OA Consumers		265.96
4	Total Energy Sent Out		10528.63
4	Transmission Loss		361.53
5	Transmission Loss (%)	3.29%	3.32%

Commission's Analysis

The Commission has verified the Transmission Loss through documentary evidences submitted by AEGCL. It is noted that the actual Transmission Loss for FY 2021-22 is same as the Transmission Losses approved by the Commission.

For the true-up, the Commission has considered the actual Transmission Loss of 3.32% for FY 2021-22, for the purpose of Energy Balance for APDCL. AEGCL is directed to maintain the transmission loss within the approved levels, in light of the significant capital expenditure proposed by AEGCL towards system strengthening. The adjustment to the ARR on account of higher than approved Transmission Losses has been computed subsequently in this Chapter, in accordance with the MYT Regulations, 2018.

4.3 O&M Expenses

AEGCL submitted the O&M expenses for FY 2021-22 comprising following heads:

- a) Employee expenses;
- b) Repairs and Maintenance (R&M) expenses;
- c) Administrative and General (A&G) expenses

The claim of AEGCL under various heads of O&M expenses are discussed below:

Employee Expenses

AEGCL submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity funding, leave encashment, and staff welfare expenses. AEGCL has claimed Rs. 186.23 Crore towards employee expenses for FY 2021-22 as against Rs. 185.10 Crore approved in the Tariff Order dated February 15, 2021.

Repairs and Maintenance (R&M) Expenses

Repairs and Maintenance Expenses are incurred for the day-to-day upkeep of the transmission network of the company and form an integral part of the company's efforts towards reliable and quality power transmission as also in reduction of losses in the system.

AEGCL has submitted that assets of AEGCL are old and require regular maintenance to ensure uninterrupted operations. AEGCL has also stated that it has been trying its best to ensure uninterrupted operations of the system and has accordingly been undertaking necessary expenditure for R&M activities regularly. AEGCL has claimed R&M expenses of Rs. 24.31 Crore for FY 2021-22 as against Rs. 23.84 Crore approved in the Tariff Order dated February 15, 2021.

Administrative and General (A&G) expenses

A&G expenses comprise rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, other debits. AEGCL has claimed A&G expenses of Rs. 10.21 Crore for FY 2021-22 as against Rs. 10.26 Crore approved in the Tariff Order dated February 15, 2021.

Expenses towards Training and Capacity Building

AEGCL submitted that on account of technological changes, training of manpower was required in order to achieve operational effectiveness along with the accident-free workplace. Hence, for adapting better working conditions to reduce accidents and mis-happening, AEGCL has conducted several training workshops at regular intervals.

AEGCL has incurred Rs.0.30 Crore in FY 2021-22 against the approved amount of Rs. 0.40 Crore. AEGCL requested the Commission to approve the training expenses for FY 2021-22.

In accordance with the MYT Regulations, 2018, the Commission in the Order dated February 15, 2021 allowed O&M Expenses on normative basis. The normative O&M expenses claimed

by AEGCL in the Truing up for FY 2021-22 are shown in the Table below:

Table 5: Normative O&M Expenses for FY 2021-22 as submitted by AEGCL (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dtd 15.02.2021	AEGCL Submission
	O&M Expenses	219.60	221.06
A	Employee Cost	185.10	186.23
B	R&M Expenses	23.84	24.32
C	A&G Expenses	10.26	10.21
D	Training Expenses	0.40	0.30

Commission's Analysis

For the purpose of truing up for FY 2021-22, the Commission has computed the O&M Expenses on normative basis as per Regulation 66 of the MYT Regulations, 2018. The variation between normative O&M expenses and actual O&M Expenses has been considered under sharing of gains and loss on account of controllable items as per Regulation 12 of the MYT Regulations, 2018.

Employee Expenses

For computation of normative employee expenses for FY 2021-22, the Commission has adopted the following approach:

- The employee expenses approved after True-up for FY 2020-21 have been considered as base expenses;
- Consumer Price Index (CPI) inflation has been computed as average increase of CPI for the period from FY 2018-19 to FY 2020-21, which works out to 6.00%;
- The growth factor of 1% has been considered as per growth in Transmission network and Growth in number of employees.

The normative employee expenses approved in the true-up for FY 2021-22 are shown in the following Table:

Table 6: Approved Employee Expenses for FY 2021-22 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
Actual Employee Expenses for the previous year	173.95	173.95

Particulars	AEGCL Submission	Approved after Truing up
Growth factor	6.00%	6.00%
CPI Inflation	1.00%	1.00%
Normative Employee Expenses	186.23	186.23

R&M Expenses

For computation of R&M Expenses for FY 2021-22, the Commission has considered the following approach:

- Wholesale Price Index (WPI) inflation has been computed as average increase of WPI index for period from FY 2018-19 to FY 2020-21, which works out to 2.41%;
- K-factor governs the relationship between R&M expenses and Gross Fixed Assets; the K-factor for FY 2021-22 in Tariff Order dated 15 February, 2021 has been approved as 0.96%, and the same K-factor has been considered for computation of normative R&M Expenses for FY 2021-22;

The normative R&M expenses approved for FY 2021-22 are shown in the following Table:

Table 7: Approved R&M Expenses for FY 2021-22 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
Opening GFA for previous year	2,388.52	2388.31
Closing GFA for previous year	2,557.99	2557.77
Average GFA for previous year	2,473.26	2,473.04
K Factor	0.96%	0.96%
WPI Inflation	2.41%	2.41%
Normative R&M Expenses for the year	24.32	24.31

A&G Expenses

For computation of A&G expenses for FY 2021-22, the Commission has adopted the following approach:

- The A&G expenses approved after True-up for FY 2020-21 have been considered as base expenses;
- WPI inflation has been computed as average increase of WPI index for period from

FY 2018-19 to FY 2020-21, which works out to 2.41%.

The normative A&G expenses for FY 2021-22 are shown in the following Table:

Table 8: Approved A&G Expenses for FY 2021-22 (Rs. Crore)

Particulars	AEGCL Submission	Approved after Truing up
A&G Expenses for Previous Year	9.97	9.97
WPI Inflation	2.41%	2.41%
Normative A&G Expenses for the year	10.21	10.21

As regards the Training Expenses, in the Tariff Order dated February 15, 2021, the Commission had approved additional amount of Rs. 40 Lakh as training expenses for AEGCL for FY 2021-22. AEGCL has claimed it has conducted the relevant Training to the Employees and Rs. 30 Lakh has been expended in FY 2021-22. The Commission had verified the expenses from the audited accounts and considers this amount in the true up for FY 2021-22.

The normative O&M expenses approved by the Commission for FY 2021-22 are shown in the following Table:

Table 9: Normative O&M Expenses approved by the Commission for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 15.02.2021	AEGCL	Approved after Truing up
1	Employee Expenses	185.10	186.23	186.23
2	Repairs and Maintenance Expenses	23.84	24.32	24.31
3	Administrative & General Expenses	10.26	10.21	10.21
4	Training Expenses	0.40	0.30	0.30
Total		219.60	221.06	221.06

Further, as per MYT Regulations, 2018 specifies *O&M Expenses (excluding terminal liabilities with regard to employees on account of changes in pay scales or dearness allowance due to inflation)* as controllable factors. Hence, for undertaking sharing of gains or losses, the Commission has excluded the terminal liabilities from normative as well as actual Employee expenses. Accordingly, terminal liabilities are allowed on actual basis.

The sharing of (gains)/losses on account of O&M Expenses is shown in the following Table:

Table 10: Sharing of (gains)/losses for O&M Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Actual *	Normative	Gains/ (losses)	Gains/(Losses) to be shared with APDCL
		a	b	c=(b-a)	d=c x 1/3
1	Employee Cost	163.99	186.23	22.25	
2	Less: Terminal Benefits	27.01	27.01	-	
3	Employee Cost excl. Terminal benefits	136.98	159.23	22.25	7.42
4	R&M expenses	13.42	24.31	10.89	3.63
5	A&G Expenses	13.64	10.21	-3.43	-1.14
6	Total	164.04	193.75	29.71	9.90

Note – * - As per audited accounts

No sharing of gains or losses has been considered for Terminal liabilities.

Since, normative O&M expenses are higher than actual expenses, the gain of Rs. 9.90 Crore has been shared and passed on through the ARR.

4.4 Capitalisation

AEGCL submitted the funding of Capital Expenditure is done through various sources namely Grants, Equity and Debt. Although capital expenditure should be funded by normative debt and equity, no infusion of equity has been made other than equity capital allocated to the companies in the Opening Balance Sheets (OBS) of the Companies in the Reorganization. The funding of Capitalisation excluding SLDC is shown in the following Table:

Table 11: Actual Capitalisation as submitted by AEGCL for FY 2021-22 (Rs. Crore)

Sr. No.	Name of the Scheme	Total Capitalisation	Grant	Loan
1	AIIB	4.92	-	1.91
2	ADB	31.85	-	12.38
3	NERPSIP	-	-	
4	Annual Plan	-	-	23.95
5	PSDF	15.02	-	-
6	TDF	21.04	-	-
7	Deposit Works	17.76	-	-
8	AIFA	21.81	-	-
9	AIIMS	-	-	-

Sr. No.	Name of the Scheme	Total Capitalisation	Grant	Loan
10	NEC	8.78	-	-
11	NLCPR	0.46	-	-
12	Internal Accrual Equity	8.97	-	5.35
	Total	130.61	0.00	43.59

Accordingly, all new addition of assets is created by funding from grants and loan. The funding of capitalisation as submitted by AEGCL is shown in the following Table:

Table 12: Funding of Capitalisation for FY 2021-22 as submitted by AEGCL (Rs. Crore)

S.N	Particulars	Approved in T.O. dtd 15.02.2021	AEGCL Submission
1	Grant	605.27	130.61
2	Equity	0	0
3	Debt	77.46	43.60
4	Total Capitalisation	682.73	174.21

Commission's Analysis

The Commission has approved the scheme-wise capital expenditure and capitalisation in the MYT Order dated March 21, 2022. The Commission notes that the actual capital expenditure and capitalisation incurred in FY 2021-22 are slightly lower than the values approved in the MYT Order dated March 21, 2022. The Commission sought the details of project-wise actual capital expenditure and capitalisation for FY 2021-22

For the purpose of truing up, the Commission has considered the actual capitalisation for FY 2021-22 based on the audited accounts and certified allocation statement of AEGCL and SLDC. As regards the funding of capitalisation, the Commission has considered the actual funding as submitted by AEGCL.

In view of the above, the Capitalisation and its funding approved by the Commission in the true-up for FY 2021-22 is shown in the following Table:

Table 13: Capitalisation for FY 2021-22 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 15.02.2021	AEGCL	Approved after Truing up
1	Capitalisation	682.73	174.21	174.20
	Funding			
3	Equity	-		-
4	Grant	605.27	130.61	130.61
5	Loan	77.46	43.60	43.59
6	Total	682.73	174.21	174.20

4.5 Depreciation

The Commission had approved the Depreciation of Rs. 35.97 Crore for FY 2021-22 in the Order dated February 15, 2021. As against this, AEGCL has claimed depreciation of Rs. 51.91 Crore in the Truing up for FY 2021-22.

AEGCL submitted that it has calculated Depreciation taking into consideration the opening balance of assets and actual capitalisation during FY 2021-22. AEGCL has not considered depreciation on assets created out of Grants.

Commission's Analysis

The Commission has considered the opening GFA for FY 2021-22 equal to the closing GFA approved in True up of FY 2020-21 after excluding the assets of SLDC. The Commission has computed depreciation as per scheduled rates specified in the Tariff Regulations, 2018.

As per Regulation 32 of the MYT Regulations, 2018, the total depreciation during the life of the asset shall not exceed 90% of the original cost of Asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation in excess of 90% of the original cost of asset under different asset heads.

In line with the approach adopted in the previous Orders and as specified in the MYT Regulations, 2018, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for FY 2021-22.

The depreciation approved in the truing up for FY 2021-22 is given in the Table below:

Table 14: Depreciation approved for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2018
1	Land owned under full ownership	38.67	6.31	-	-
	Land under lease	-		3.34%	-
2	Building	55.65	5.71	3.34%	1.39
3	Hydraulic	-		5.28%	-
4	Other Civil Works	2.64	-	3.34%	4.33
5	Plant & Machinery	127.85	3.40	5.28%	63.52
6	Lines & Cable Net work	1,242.03	72.70	5.28%	37.86
7	Vehicles	1,074.77	84.20	9.50%	0.07
8	Furniture & Fixtures	4.96	-	6.33%	0.36
9	Office Equipment	7.08	0.77	6.33%	0.16
10	Computer and Accessories	4.13	1.11		0.20
11	Grand Total	2,557.77	174.20		107.89
12	Less: Depreciation for Grants/ Consumer Contribution				75.00
13	Net Total				32.89
14	Less: Depreciation towards CC				0.50
15	Net Depreciation after CC & Grants				32.39

The Commission accordingly approves Depreciation of Rs. 32.39 Crore for FY 2021-22 after truing up.

4.6 Interest and Finance Charges

The Commission had approved Interest and Finance Charges of Rs. 24.06 crore for FY 2021-22 in the Order dated February 15, 2021. As against this, AEGCL has claimed Interest and finance charges of Rs. 20 Crore for FY 2021-22.

Commission's Analysis

The Commission has approved Interest on loan capital for FY 2021-22 on normative basis as per MYT Regulations, 2018. The Normative Loan Outstanding as on April 1, 2021 has been considered equal to the closing normative loan approved in the Truing up for FY 2021-22.

The Commission has considered the opening net normative loan as on April 1, 2021 as Rs. 205.68 Crore. The addition of loan has been considered equal to debt portion of capitalised

works as approved by the Commission in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order.

As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on outstanding loan as on April 1, 2021. Accordingly, weighted average interest rate has been computed as 9.92% for computation of interest on loan capital.

The Interest on loan capital as approved by the Commission for FY 2021-22 is shown in the following Table:

Table 15: Approved Interest on loan Capital for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order dtd 15.02.21	AEGCL	Approved after Truing up
Net Normative Opening Loan	217.95	205.68	205.68
Addition of normative loan during the year	77.46	43.60	43.59
Normative Repayment during the year	35.97	51.91	32.89
Net Normative Closing Loan	259.44	197.37	216.38
Interest Rate	10.08%	9.92%	9.92%
Interest Expenses on Loan	24.06	19.99	20.93
Finance Charges		0.01	0.01
Total Interest and Finance Charges	24.06	20.00	20.94

The Commission considers Interest on loan Capital as Rs 20.94 Crore in the truing up for FY 2021-22.

4.7 Return on Equity

AEGCL has claimed the Return on Equity of Rs. 15.49 Crore for FY 2021-22 as compared to the RoE of Rs. 15.49 Crore approved by the Commission in the Tariff Order dated February 15, 2021. AEGCL has considered no equity addition during FY 2021-22.

Commission's Analysis

The Commission has approved the Return on Equity in accordance the MYT Regulations, 2018. The Commission has considered the addition of equity equivalent to equity portion of

capitalised works as approved in this Order, which is Nil. Therefore, the approved Return on Equity at 15.50% is shown in the Table below:

Table 16: Return on Equity approved by the Commission for FY 2021-22 (Rs. Crore)

Sr · N o.	Particulars	Approved in T.O. dtd 07.03.2020	AEGCL	Approved after Truing up
1	Opening Equity Capital	99.93	99.93	99.93
2	Equity addition during the year	-	-	-
3	Closing Equity	99.93	99.93	99.93
5	Rate of Return on equity	15.50%	15.50%	15.50%
6	Return on Equity	15.49	15.49	15.49

The Commission approves the Return on Equity of Rs. 15.49 Crore for FY 2021-22 after Truing up.

4.8 Interest on Working Capital (IoWC)

AEGCL has claimed IoWC of Rs. 12.21 Crore in the Truing Up for FY 2021-22.

Commission's Analysis

The Commission has computed IoWC in accordance with the MYT Regulations, 2018. The rate of Interest has been considered equal to State Bank of India MCLR Rate as on 1st April of FY 2021-22 plus 300 basis points, i.e., 10.00%

For computation of working capital requirement, the normative O&M Expenses and actual revenue billed as receivables have been considered. IoWC approved by the Commission in the truing up for FY 2021-22 is shown in the following Table:

**Table 17: Interest on Working Capital for FY 2021-22 as approved by the Commission
(Rs. Crore)**

Sr. No.	Particulars	Approved in Order dtd 15.02.21	AEGCL	Approved after True-up
1	O&M expenses for one month	18.30	18.42	18.42
2	Maintenance spares @ 15% of O&M Expenses	32.94	33.16	33.16
3	Receivables for two months	59.40	70.53	66.84
4	Total Working Capital requirement	110.64	122.11	118.42
5	Rate of Interest	10.00%	10.00%	10.00%
6	Interest on Working Capital	11.06	12.21	11.84

Accordingly, the Commission approves Interest on Working Capital of Rs. 11.84 Crore in the Truing up for FY 2021-22.

4.9 Other Debits

AEGCL has claimed Other Debits of Rs. 3.39 Crore for FY 2021-22 based on the Audited Accounts as against NIL approved in the Order dated February 15, 2021.

Commission's Analysis

The Commission has analysed the details and justification submitted by AEGCL for Other Debits for FY 2021-22. The Commission notes that Other Debits includes the expenses towards loss on obsolescence of stores, compensation for injuries, deaths and damages to outsiders. The Commission is of view that these expenses are well within the control of AEGCL, and cannot be passed on to the consumers through the ARR. Hence, the Commission has allowed only Loss to fixed assets on account of flood, cyclone, fire, etc., under Other Debits for FY 2021-22.

Accordingly, the Commission considers Other Debits as Rs. (34.94) Crore for FY 2021-22 for the other income.

4.10 BST for Pension Fund (Special Charges for Terminal Benefits)

In the Order dated February 15, 2021, the Commission had approved special charges on Bulk Supply Tariff at 15 paise per unit amounting to Rs. 146.64 Crore for FY 2021-22. AEGCL has

claimed Rs. 153.94 Crore as BST for Pension Fund as per the audited annual accounts for FY 2021-22.

Commission's Analysis

The Commission approves the BST for Pension Fund (Special Charges for Terminal Benefits) of Rs. 150.35 Crore for FY 2021-22 as claimed by AEGCL based on audited accounts.

4.11 Income Tax

AEGCL has claimed NIL amount towards Income Tax as per the audited accounts for FY 2021-22.

Commission's Analysis

The Commission has verified the actual Income Tax paid on the basis of Tax paid challans submitted by AEGCL and has hence, considered the Income Tax as NIL Crore for FY 2021-22.

4.12 Incentive for Transmission Availability

AEGCL has billed the amount of Rs 2.64 Crore towards incentive for Transmission Availability higher than normative Availability as per MYT Regulations, 2018. This had been calculated based on the actual monthly transmission availability data. For the month in which the transmission availability was higher than 98.50% (Normative availability), transmission incentive bill was raised and for the month in which transmission availability was less than 98.00%, disincentive bill was raised to APDCL.

Commission's Analysis

The MYT Regulations, 2018 specifies Normative Transmission Availability of 98% for full recovery of transmission charges and 98.5% for incentive consideration.

The actual Transmission Availability for AEGCL for FY 2021-22 is 99.15% on annual basis. Also, the computation and payment of Transmission Charges has been linked to monthly Transmission Availability computed as per the MYT Regulations, 2018. Accordingly, the Commission has computed the Incentive on Transmission Availability as shown in the following Table:

Table 18: Incentive on Transmission Availability for FY 2021-22 as approved by the Commission (Rs. Crore)

Sl. No	Month	No. of days in month	Monthly transmission charges (in ` crore)	Actual transmission availability (in %)	Transmission charges inclusive of incentive (in ` crore)	Incentive/Unrecoverable TC (in ` crore)
1	Apr-21	30	27.80	99.23	28.00	0.21
2	May-21	31	28.72	99.33	28.97	0.24
3	Jun-21	30	27.80	99.0646	27.96	0.16
4	Jul-21	31	28.72	98.9759	28.86	0.14
5	Aug-21	31	28.72	99.24	28.94	0.22
6	Sep-21	30	27.80	99.051	27.95	0.16
7	Oct-21	31	28.72	99.2738	28.95	0.23
8	Nov-21	30	27.80	99.2217	28.00	0.20
9	Dec-21	31	28.72	99.3217	28.96	0.24
10	Jan-22	31	28.72	99.0808	28.89	0.17
11	Feb-22	28	25.94	98.968	26.07	0.12
12	Mar-22	31	28.72	99.104	28.90	0.18
	Total	365	338.19	99.15%	340.45	2.26

The Commission approves the Incentive of Rs. 2.26 Crore on account of higher Transmission Availability, which has been added to the ARR.

4.13 Non-Tariff Income

The Commission had approved the Non-Tariff Income of Rs. 63.73 Crore for FY 2021-22 in the Tariff Order dated February 15, 2021.

AEGCL submitted that NTI mainly comprises income from investments and miscellaneous receipts. AEGCL submitted that it has considered actual NTI of Rs. 54.80 Crore earned during FY 2021-22 in the truing up.

AEGCL submitted that in accordance with Regulation 68 of the MYT Regulations, 2018, AEGCL has considered 1/3rd of Dividend from North East Transmission Company Limited (NETCL) for FY 2021-22 as the amount is part of Other Business Income of AEGCL.

As regards the deduction of interest on GPF from NTI, AEGCL submitted that AEGCL has been utilizing GPF subscription from its employees as internal resources and the fund has

been parked at different banks from which AEGCL has been earning interest. It has been shown as the other income in the profit and loss account of AEGCL which has been adjusted with the ARR at the time of filing the Tariff Petition. As such AEGCL is facing losses due to normative calculation of interest and finance charges.

AEGCL prays to allow the interest on GPF amounting to Rs. 2.05 Crore for FY 2021-22 by deducting the same from Non-Tariff Income.

In view of the above, AEGCL requested the Commission to approve the NTI amounting to Rs. 54.80 Crore for FY 2021-22.

Commission's Analysis

The Commission has verified the head-wise NTI from the Audited Accounts of AEGCL for FY 2021-22.

As regards Rs. 5.35 Crore appearing as Dividend from North East Transmission Company Limited (NETCL), the same amounts to Other Business Income of AEGCL, and hence, the Commission has considered 1/3rd of this amount, in accordance with the MYT Regulations, 2018. The Commission has deducted the Interest income of Rs. 2.05 crore on GPF, in accordance with the philosophy elaborated in previous Orders.

The Commission also notes that AEGCL has claimed 2.57 Crore refund to suppliers / contractors which were recovered as penalty. AEGCL has not substantiated as to why such refund was initiated and it is also not verifiable from audited accounts. Hence, the Commission disallows such unsanctioned refund of penal income.

In view of the above, the Commission approves the Non-Tariff Income at Rs. 57.38 Crore for FY 2021-22, for the purpose of truing up.

4.14 Revenue from Operations

AEGCL has claimed Revenue of Rs. 415.18 Crore for FY 2021-22 for Truing up purpose.

Commission's Analysis

The Commission had approved net ARR of Rs. 389.09 Crore for AEGCL for FY 2021-22 in the Order dated February 15, 2021. During FY 2021-22, AEGCL billed APDCL based on the order dated February 15, 2021. The audited accounts for FY 2021-22 reflects the actual revenue of Rs. 388.93 Crore.

In view of the above, the Commission approves the actual revenue of Rs. 328.90 Crore

as per the audited accounts, for the Truing up for FY 2021-22.

4.15 ARR after Truing Up of FY 2021-22

Considering the above heads of expense and revenue as per the Audited Accounts for FY 2021-22 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2021-22 is shown in the following Table:

Table 19: ARR approved after Truing up for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Proposed by AEGCL	Approved after truing up
1	O&M Expenses	219.60	221.06	221.06
<i>a</i>	<i>Employee Cost</i>	185.10	186.23	186.23
<i>b</i>	<i>R&M Expenses</i>	23.84	24.32	24.31
<i>c</i>	<i>A&G Expenses</i>	10.26	10.21	10.21
<i>d</i>	<i>Training Expenses</i>	0.40	0.30	0.30
2	Depreciation	35.97	51.91	32.39
3	Interest & Finance Charges	24.06	20.00	20.94
4	Interest on Working Capital	11.06	12.21	11.84
5	BST for Pension Trust Fund	146.64	153.94	150.35
6	Return on Equity	15.49	15.49	15.49
7	Income Tax	-	-	-
8	Other debits		3.39	(34.94)
9	Less: Non-Tariff Income/ Other Income	63.73	54.80	57.38
10	Aggregate Revenue Requirement	389.09	423.19	359.75
11	Sharing of (Gains)/Losses	-	(9.91)	(19.81)
12	ARR after sharing	389.09	413.28	339.94
13	Less: Reduction due to excess Transmission Loss			1.72
14	Incentive on Transmission Availability	-	2.64	2.26
15	ARR after Incentive	389.09	415.92	340.48
16	Revenue with Approved Tariff	389.09	389.09	389.09
17	Revenue from STOA/MTOA Charges		11.94	11.94
18	ARR after reducing Revenue from STOA/MTOA charges		403.98	328.54
19	Revenue Gap/(Surplus)	-	14.89	(60.55)

The Commission has approved the Net ARR after sharing of (Gains)/Losses, Incentive

after Truing-up for FY 2021-22 as Rs. 340.48 Crore. After considering the Revenue at approved Tariff and Revenue from STOA/MTOA charges, the Revenue Surplus of Rs. 60.55 Crore is approved after truing up for FY 2021-22, with associated holding cost. This Surplus has been considered for adjustment in the net ARR of APDCL during FY 2023-24.

5 Annual Performance Review for FY 2022-23

5.1 Methodology for Annual Performance Review

The Commission had approved the ARR and Tariff for FY 2022-23 vide the MYT Order dated March 21, 2022.

The MYT Regulations, 2021, specifies that the Commission shall undertake the APR and True-up for the respective years of the Control Period from FY 2022 -23 to FY 2024-25, as reproduced below:

*“9.3 The scope of **the annual review** and True up shall be a comparison of the actual performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following:*

...

b) Annual Review: a comparison of the revised performance targets of the applicant for the current financial year with the approved forecast in the Tariff order corresponding to the Control period for the current financial year subject to prudence check including adjusting trajectories of uncontrollable and controllable items.” (emphasis added)

AEGCL submitted the APR Petition for FY 2022-23, supported by actual information available till September 2022 and estimated values for the next six months. AEGCL has sought APR for FY 2022-23, with the estimated Revenue Gap/(Surplus), to be recovered from APDCL.

However, from the above said Regulation, it is clear that the main objective of APR is to compare the estimated performance for FY 2022-23 vis-à-vis approved forecast in the MYT Order dated March 21, 2022. The Revenue Gap/(Surplus) arising out of APR for FY 2022-23 shall not be passed on to the beneficiaries, and the same shall be considered at the time of Truing-up of FY 2022-23 only.

In the present Chapter, the Commission has analysed the submission of all the elements of ARR vis-à-vis approved values in the Tariff Order for FY 2022-23. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2022-23. No sharing of gains/(losses) has been undertaken at this stage and the same shall be considered at the time of Truing up for FY 2022-23.

5.2 Transmission Loss

AEGCL submitted the Transmission Loss of 3.30% for FY 2022-23, as shown in the following Table:

Table 20: Transmission Loss for FY 2022-23 as submitted by AEGCL (MU)

Sr. No.	Particulars	Approved in T.O. dt. 21.03.2022	AEGCL Estimation
1	Energy Injected		11922.38
2	Energy Sent Out to APDCL		11342.25
3	Energy Sent Out to OA Consumers		184.31
4	Total Energy Sent Out		11526.56
4	Transmission Loss		395.82
5	Transmission Loss (%)	3.27%	3.32%

Commission's Analysis

The Commission observes that the Transmission Loss submitted by AEGCL is higher than the targeted loss level approved in the Tariff Order dated March 21, 2022. AEGCL should strive to meet the target set by the Commission, as increase in the Transmission Loss levels will result in increase in the power purchase quantum and cost of APDCL, thereby increasing the burden on the consumers.

5.3 Transmission Availability

AEGCL has submitted Transmission Availability for FY 2022-23 for first six months based on actual figures, which comes out to 99.17% and remaining six months has projected as 99%

Commission's Analysis

The MYT Regulations, 2021 specifies Normative Transmission Availability of 98% for full recovery of transmission charges and 98.5% for incentive consideration. Also, the computation and payment of Transmission Charges has been linked to monthly Transmission Availability computed as per the MYT Regulations, 2021.

AEGCL should strive for maintaining and improving its Transmission Availability. The computation of incentive/disincentive on account of Transmission Availability shall be undertaken at the time of truing up for FY 2022-23 in line with the MYT Regulations, 2021.

5.4 Operation and Maintenance Expenses

AEGCL submitted that O&M expenses for FY 2022-23 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis in accordance with Regulation 102 of the MYT Regulations, 2021. The normative expenses as claimed in the true-up for FY 2021-22 have been considered as the base expenses. The average WPI and CPI have been considered as 5.32% and 5.89%, respectively. The normative O&M expenses submitted by AEGCL for FY 2022-23 are shown in the Table below:

Table 21: Normative O&M Expenses Projected by AEGCL for FY 2022-23 (Rs. Crore)

S.N.	Particulars	Approved in T.O. dt. 21.03.2022	AEGCL Submission
1	O&M Expenses	223.11	239.05
a	Employee Cost	184.39	199.18
b	R&M Expenses	28.89	29.12
c	A&G Expenses	9.83	10.75

AEGCL has also submitted the revised estimates of each component of O&M expenses for FY 2022-23, based on the actual expenses in the first six months and estimates for the remaining six months. The claim of AEGCL under various heads of O&M expenses is discussed below.

Employee Expenses

AEGCL has estimated Employee Expenses considering trend of past year's employee expense, increase in dearness allowance, and its impact on other allowances such as HRA, field allowances, PF, etc. Additionally, AEGCL considered increase in salary due to regular increments as well as promotion and new recruitments. For estimating Employee Expenses for FY 2020-21, actual salaries paid during first 6 months plus estimate for the next 6 months have been considered. AEGCL has estimated the Employee Expenses of Rs. 199.18 Crore for FY 2022-23.

R&M Expenses

AEGCL submitted that R&M Expenses are generally incurred on maintaining the transmission assets in order to ensure uninterrupted operations. AEGCL submitted

that the current infrastructure of transmission system is old, and the majority of the assets have already lapsed their life. To maintain the assets in a more efficient way, AEGCL has been carrying out the repair and maintenance activities.

While arriving at estimated R&M expenses for the FY 2022-23, actual R&M expenses incurred during first 6 months plus estimate for the next 6 months has been considered. AEGCL added that the R&M works during H1 is minimal on account of monsoon. Assam receives abundant rainfall in the monsoon. The rain season starts off with the month of June and lasts till October. Hence, the R&M works are carried out post monsoon and hence H2 expenses are usually twice the H1 expenses.

AEGCL has estimated R&M expenses of Rs. 29.12 Crore for FY 2022-23, as against the R&M Expenses of Rs. 28.89 Crore approved in the Tariff Order.

A&G Expenses

AEGCL has estimated administrative expenses including rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, etc. While estimating A&G expenses for FY 2022-23, actual A&G expenses incurred during first 6 months plus estimate for the next 6 months has been considered. Expenses for H2 are usually in line with the expenses of H1.

AEGCL has projected the A&G Expenses of Rs. 10.75 Crore for FY 2022-23 as against the A&G Expenses of Rs. 9.83 Crore for FY 2022-23 approved in the Tariff Order.

Commission's Analysis

The Commission has approved the O&M Expenses on normative basis in the Tariff Order as per MYT Regulations, 2021. AEGCL has submitted O&M expenses based on previous year's O&M expenses and applicable increase towards Salaries, Dearness Allowance, etc.

For computation of normative employee expenses for FY 2022-23, the Commission has adopted the following approach:

- a) The average of actual employee expenses for the period from FY 2017-18 to FY 2021-22 has been escalated by applicable CPI inflation factor for FY 2020-21 and FY 2021-22, to derive the base expense for FY 2022-23, which works out to Rs. 173.34 Crore;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2019-20 to FY 2021-22, which works out to 5.89%;

- c) Considering the expansion of transmission network over the FY 2022-23, growth factor of 1% has been considered.

The normative employee expenses approved for FY 2022-23 is shown in the following Table:

Table 22: Approved Employee Expenses for FY 2022-23 (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved after APR
Base Employee Cost	173.00	186.23	173.34
CPI Inflation	5.53%	5.89%	5.89%
Growth factor	1.00%	1.00%	1.00%
Employee expenses	184.39	199.17	185.39

For computation of normative R&M Expenses for FY 2022-23, the Commission has considered the following approach:

- WPI inflation for computation of R&M Expenses works out to 5.32% as per MYT Regulations, 2021, based on average increase of WPI for the period from FY 2019-20 to FY 2021-22;
- K-factor has been considered as 0.75% as approved in MYT Order dated March 21, 2022;
- Since K-factor has been computed on the basis of average GFA for projection of R&M expenses, average GFA for the previous year has been considered;
- As discussed in the approved MYT Order, the Commission has already approved provision for colony maintenance and ERS. The Commission would recognise these expenses based on prudence check during true up of FY 2022-23.

The normative R&M expenses approved for FY 2022-23 is shown in the following Table:

Table 23: Approved R&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	Approved in T.O. dt. 15.02.21	AEGCL	Approved after APR
Opening GFA for previous year	2,557.77	2,557.99	2,557.77
Closing GFA for previous year	2,708.47	2,732.20	2,731.97
Average GFA for previous year	2,633.12	2,645.09	2,644.87
K Factor	0.75%	0.75%	0.75%
WPI Inflation	4.13%	5.32%	5.32%

Particulars	Approved in T.O. dt. 15.02.21	AEGCL	Approved after APR
R&M Expenses	20.66	20.89	20.89
Provision for Colony Maintenance of AEGCL	5.93	5.93	5.93
Provision for Emergency Restoration System	2.30	2.30	2.30
Net Normative R&M Expense	28.89	29.12	29.12

For computation of A&G expenses for FY 2022-23, the Commission has adopted the following approach:

- d) The average of actual employee expenses for the period from FY 2017-18 to FY 2021-22 has been escalated by applicable WPI inflation factor for FY 2020-21 and FY 2021-22, to derive the base expense for FY 2022-23, which works out to Rs. 10.13 Crore;
- a) As discussed in earlier para, the Commission has considered the WPI inflation of 5.32%.

The normative A&G expenses approved for FY 2022-23 is shown in the following Table:

Table 24: Approved A&G Expenses for FY 2022-23 (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved after APR
A&G Expenses for Previous Year	9.44	10.21	10.13
WPI Inflation	4.13%	5.32%	5.32%
A&G Expenses	9.83	10.75	10.67

As regards the Training Expenses, the Commission in the Tariff Order dated March 21, 2022 had approved NIL amount as training expenses for AEGCL for FY 2022-23 and retains this amount in the APR for FY 2022-23. Balance requirement if any for training expenses should be met from the normative O&M expenses.

In view of the above, the Commission provisionally considers the O&M expenses as shown in the following Table in the APR for FY 2022-23:

Table 25: Approved O&M Expenses for FY 2022-23 (Rs. Crore)

Particulars	Approved in T.O. dt. 15.02.21	Proposed by AEGCL	Approved after APR
Total O&M Expenses	223.11	239.05	225.19
Employee Expenses	184.39	199.17	185.39
R&M Expenses	28.89	29.12	29.12
A&G Expenses	9.83	10.75	10.67
Training Expenses	-	0.19	-

5.5 Capitalisation

AEGCL submitted that the Capitalisation for FY 2022-23 has been estimated based on 6 months actual addition of assets and estimation of asset addition for the next 6 months. Also, the funding of Capital Expenditure for FY 2022-23 is envisaged through Grants, Equity and Debt considering the impact of conversion of Government Grants and Loans to Equity.

The funding of capitalisation has been considered as Rs 134.98 Crore, Rs 7.42 Crore and Rs 18.68 Crore from grants, equity and loans, respectively.

Commission's Analysis

The scheme-wise capital expenditure was approved by the Commission in the MYT Order dated March 21, 2022. In the MYT Order, the Commission had approved capital expenditure and capitalisation based on information regarding latest status of works and past trends of capital expenditure of AEGCL

The Commission in MYT Order dated March 21, 2022 had approved capitalisation of Rs. 200 Crore for FY 2022-23, against which AEGCL has estimated capitalisation of Rs. 161.09 Crore. As FY 2021-22 is almost completed, the Commission provisionally considers the Capitalisation submitted by AEGCL for APR of FY 2021-22.

The Commission has accepted the funding of capitalized works as proposed by AEGCL, as shown in the following Table:

Table 26: Funding of capitalised works for FY 2022-23 as considered by the Commission (Rs. Crore)

Particulars	Approved in T.O. dated 21.03.22	Proposed by AEGCL	Approved for APR
Grant	190.73	134.98	134.99
Equity	2.78	7.42	7.42
Debt	6.49	18.68	18.68
Total Capitalisation	200.00	161.09	161.09

5.6 Depreciation

AEGCL submitted that, the proposal for conversion of Govt. Loan & Grants to AEGCL into equity and waiver of interest accrued on such loan as on 31.03.2021 has been approved by the Hon'ble Cabinet of GoA in its meeting held on 24.12.2021 and the same through vide letter no. PEL.58/2021/pt./105 dated 03.02.2022. After receiving approval from the Hon'ble Cabinet, Power (E) Department, GoA has issued sanction order to Accountant General (AG) vide letter no. FS/42-2021-22(1)-07 dated 31.12.2021 and letter no. FS/42-2021-22(1)-08 dated 31.12.2021. In view of the above, Government Grants of Rs. 1955.05 Crore and Loans of Rs. 638.41 Crore total amounting to Rs. 2593.46 Crore are converted to equity.

For FY 2022-23, after considering the Government Grants of Rs. 1955.05 Crore and Loans of Rs. 638.41 Crore converted to equity by GoA for AEGCL, AEGCL has claimed depreciation of Rs. 113.78 Crore in the APR for FY 2022-23.

The Commission had approved the Depreciation of Rs. 35.96 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022.

Commission's Analysis

The Commission has considered the opening GFA for FY 2022-23 equivalent to the closing GFA for FY 2021-22 as approved in this Order. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2021.

The Commission recognised Government's conversion of Grant and Loan issued to AEGCL as equity, which is capped to 30% of GFA which is the total funding requirement of AEGCL. Accordingly, closing grant towards GFA have been reduced to that extent.

As per the MYT Regulations, 2021, the total depreciation during the life of the asset shall not

exceed 90% of the original cost of Asset. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation in excess of 90% of the original cost of asset under different asset heads. The Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for FY 2021-22.

The depreciation provisionally approved for FY 2022-23 in the APR is given in the Table below:

Table 27: Depreciation approved for FY 2022-23 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2021
1	Land owned under full ownership	44.97	2.69	-	
2	Land under lease	-	-	3.34%	-
3	Building	61.36	5.80	3.34%	1.58
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	131.26	11.47	3.34%	4.58
6	Plant & Machinery	1,314.73	93.89	5.28%	67.91
7	Lines & Cable Network	1,158.97	40.32	5.28%	41.15
8	Vehicles	4.96	-	9.50%	0.07
9	Furniture & Fixtures	7.85	1.98	6.33%	0.45
10	Office Equipment	3.43	4.94	6.33%	0.32
11	Computer and accessories	1.80		15%	0.27
11	Grand Total	2,731.97	161.09		116.32
15	Less: Depreciation for Grants/ Consumer Contribution				40.84
16	Net Total				75.49
20	Less: Depreciation towards CC				0.89
21	Net Depreciation after CC & Grants				74.60

The Commission provisionally approves Depreciation of Rs. 74.60 Crore in the APR for FY 2022-23.

5.7 Interest and Finance Charges

The Commission had approved Interest and Finance Charges of Rs. 24.32 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022. As against this, AEGCL has claimed Interest and

finance Charges of Rs. 15.11 Crore in the APR for FY 2022-23.

Commission's Analysis

The Commission in the Tariff Order dated March 21, 2022 had approved the Interest and Finance Charges of Rs. 24.32 Crore on normative basis for FY 2022-23 as per MYT Regulations, 2021. The opening net normative loan for FY 2022-23 is considered as Rs. 216.38 Crore, equal to the closing net normative loan for FY 2021-22, as discussed in the earlier Chapter. The addition of loan has been considered equal to debt portion of capitalised works as approved in this Order. The loan repayment has been considered equivalent to Depreciation approved in this Order.

As per MYT Regulations, 2021, weighted average rate of interest shall be computed based on actual outstanding loan as on April 1, 2022. Accordingly, weighted average interest rate has been computed as 9.92% for computation of interest on loan capital.

The Interest on loan capital as approved by the Commission for FY 2022-23 is shown in the following Table:

Table 28: Approved Interest on loan Capital for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL Submission	Approved after APR
1	Net Normative Opening Loan	255.95	197.37	216.38
2	Addition of normative loan during the year	6.49	18.68	18.68
3	Normative Repayment during the year	35.96	113.78	75.49
4	Net Normative Closing Loan	226.48	102.27	159.58
5	Interest Rate	10.08%	10.08%	9.92%
6	Interest Expenses	24.31	15.10	18.65
7	Finance Charges	0.01	0.01	0.01
8	Total Interest and Finance Charges	24.32	15.11	18.66

The Commission provisionally considers Interest on loan Capital of Rs. 18.66 Crore in APR for FY 2022-23.

5.8 Return on Equity

The Commission approved the RoE of Rs. 13.68 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022. As against this, AEGCL has claimed RoE of Rs. 66.51 Crore for FY 2022-23, calculated at 13.50% as specified in MYT Regulations 2021.

Commission's Analysis

The Commission considers the Return on Equity in accordance with the MYT Regulations, 2021. As stated earlier, the Commission has considered Rs 727.08 Crore addition of equity against capitalisation during FY 2022-23. Therefore, the approved RoE at 13.50% is shown in the Table below:

Table 29: Return on Equity for FY 2022-23 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 15.02.21	AEGCL Submission	Approved for APR
1	Opening Equity Capital	99.93	99.93	99.93
2	Equity addition during the year	2.78	785.46	727.08
3	Closing Equity	102.71	885.39	827.01
4	Average Equity	101.32	492.66	463.47
5	Rate of Return on equity	13.50%	13.50%	13.50%
6	Return on Equity	13.68	66.51	62.57

Accordingly, the Commission considers RoE of Rs 62.57 Crore in APR for FY 2022-23.

5.9 Interest on Working Capital (IoWC)

The Commission approved IoWC of Rs. 12.30 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022. As against this, AEGCL has claimed IoWC of Rs. 17.04 Crore for FY 2022-23, calculated as specified in MYT Regulations 2021.

Commission's Analysis

The Commission has computed IoWC in accordance with the MYT Regulations, 2021. The rate of Interest has been considered equal to State Bank of India MCLR rate as on 1st April, 2022 plus 300 basis points, i.e., 10.58% For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the revenue approved for FY 2022-23 in MYT Order. IoWC approved by the Commission for FY 2022-23 is shown in the following Table:

**Table 30: Interest on Working Capital for FY 2022-23 as approved by the Commission
(Rs. Crore)**

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved after APR
1	O&M expenses for 1 month	18.59	19.92	18.77
2	Maintenance spares @ 15% of O&M Expenses	33.47	35.86	33.78
3	Receivables for two months	70.94	105.33	78.74
4	Total Working Capital	123.00	161.10	131.29
5	Rate of Interest	10.00%	10.58%	10.58%
6	Interest on Working Capital	12.30	17.04	13.88

Accordingly, the Commission provisionally approves loWC of Rs. 13.88 Crore in the APR for FY 2022-23.

5.10 BST for Pension Fund

The Commission had approved BST for Pension fund at 15 paise per unit amounting to Rs. 214.38 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022. AEGCL has claimed BST for Pension Fund of Rs. 226.85 Crore as per the estimated energy supplied to APDCL for FY 2022-23.

Commission's Analysis

The Commission approves BST for Pension Fund at 15 paise per unit on the energy transmitted to APDCL, as shown in the following Table:

Table 31: Approved BST for Pension Fund for FY 2022-23 (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved after APR
Energy transmitted to APDCL (MU)			10639
BST for Pension Fund at 15 paise per unit	214.38	226.85	212.78

Accordingly, the Commission provisionally approves BST for pension fund of Rs. 212.78 Crore in the APR for FY 2022-23.

5.11 Income Tax

AEGCL has not claimed any amount towards Income Tax for FY 2022-23.

Commission's Analysis

The Commission has not considered any provision towards Income Tax. The actual Income Tax paid shall be considered based on the documentary evidence submitted at the time of truing up of FY 2022-23, subject to prudence check.

5.12 Other Debits

AEGCL has considered Other Debits of Rs. 5 Crore for FY 2022-23 due to loss of fixed assets on account of flood, fire and cyclone.

Commission's Analysis

The Prior Period entries will get crystallised only after finalisation of Accounts for FY 2022-23, and cannot be considered at the time of APR. Also, the incentive on Transmission Availability can be computed only after the year is completed and needs to be certified by the SLDC, in order to be considered for incentive.

Hence, the Commission has not considered Prior Period Expenses/(Income) and Incentive on Transmission Availability in the APR for FY 2022-23. The actual Other Debits, Prior Period Expenses/(Income), and Incentive on Transmission Availability, if any, shall be considered based on the documentary evidence submitted at the time of truing up of FY 2022-23, subject to prudence check.

5.13 Non-Tariff Income

The Commission had approved the Non-Tariff Income at Rs. 54.01 Crore for FY 2022-23 in the Tariff Order dated March 21, 2022. As against this, AEGCL has submitted Non-Tariff Income of Rs. 54.01 Crore for FY 2022-23.

Commission's Analysis

The Commission provisionally considers Non-Tariff Income of Rs. 71.00 Crore, after assessment of previous year's income on various heads and considering them for FY 2022-23 also. Income from investments and banks have also been considered as well as Rs 0.69 crore Income from Fibre Optic Network. The actual non-Tariff income will be allowed at the time of truing up, subject to prudence check.

5.14 Contribution to Contingency Reserves for FY 2022-23

Regulation 67.9 of MYT Regulations, 2021 specifies regarding the contribution to contingency reserves. As is well known, the river basins of Assam in general and north bank river basins in particular bear a pattern, which is totally different from other basin rivers in the country. The contingency reserves for FY 2022-23 shall help in reinstallation of flood demised assets/construction of new towers in place of collapsed towers.

The Commission has approved Rs. 2.71 Crore for FY 2023-24 through its Order dated March 21, 2022. The creation of contingency reserves for FY 2022-23 to coffer for protection of flood demised assets/ construction of new towers in place of collapsed towers. The contribution to Contingency Reserves claimed by AEGCL for FY 2023-24 is shown in the Table below:

**Table 32: Contribution towards Contingency Reserves for FY 2022-23 to FY 2024-25
(Rs. Crore)**

Sl. No.	Particulars	As per T.O. dated 21.03.2022	FY 2023-24
1	Opening GFA for Previous year	2908.47	2914.3
2	% Factor	0.1%	0.10%
3	Contingency Reserves (1*2)	2.91	2.91

Commission's Analysis

Regulation 67.9.1 specifies as under:

“67.9.1 The Transmission Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.1 per cent of the gross fixed assets approved by the Commission at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement:

Provided that where the amount of such Contingency Reserve exceeds one (1) per cent of the gross fixed assets, no such appropriation shall be allowed, which would have the effect of increasing the reserve beyond the said maximum:

Provided further that the amount so appropriated may be invested in securities and fixed deposit. Interest earned shall be added to the Contingency Reserve.

Provided also that the Transmission Licensee shall maintain separate account for such

reserve”

The Commission has approved the Contribution towards Contingency Reserves for FY 2022-23, in accordance with the MYT Regulations, 2021 based on approved opening GFA of that year, as shown in the Table below:

Table 33: Approved Contribution towards Contingency Reserves for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
1	Opening GFA for the current year		2737.67	2731.97
2	% Factor		0.10%	0.10%
3	Contingency Reserves (1*2)	2.71	2.74	2.73

The Commission also directs AEGCL to submit report of actual expenditure on such projects during true up of FY 2022-23 so that account of funding under contingency reserve could be maintained.

Thus, the Commission approves the Contribution towards Contingency Reserves of Rs. 2.73 Crore for FY 2022-23. The actual Contribution towards Contingency Reserves shall be considered at the time of truing up for FY 2022-23, after prudence check.

5.15 ARR after Annual Performance Review of FY 2022-23

Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2022-23 is shown in the following Table:

Table 34: ARR approved after APR for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	Proposed by AEGCL	Approved after APR
1	O&M Expenses	223.11	239.05	225.19
A	Employee Cost	184.39	199.18	185.39
B	R&M Expenses	28.89	29.12	29.12
C	A&G Expenses	9.83	10.75	10.67
D	Training Expenses	-	0.19	-
2	Depreciation	35.96	113.78	74.60

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	Proposed by AEGCL	Approved after APR
3	Interest and Finance Charges	24.32	15.11	18.66
4	Interest on Working Capital	12.30	17.04	13.88
5	BST for Pension Trust Fund	214.38	226.85	212.78
6	Return on Equity	13.68	66.51	62.57
7	Income Tax	-	-	-
8	Other debits		5.00	
9	Contribution to Contingency Reserve	2.71	2.74	2.73
10	Less: Non-Tariff Income/ Other Income	54.01	54.01	71.00
11	Net ARR	472.45	632.07	539.41
12	Revenue with Approved Tariff	460.45	460.45	460.45
13	Revenue from STOA/MTOA Charges	12.00	12.00	12.00
14	Revenue Gap /(Surplus)		159.62	66.96

5.16 Revenue Gap/(Surplus) for FY 2022-23

AEGCL has claimed Revenue Gap of Rs. 159.62 Crore after APR for FY 2022-23.

Commission's Analysis

The Commission has computed the Revenue Gap/(Surplus) arising out of APR for FY 2022-23 as shown in the following Table:

Table 35: Revenue Gap/(Surplus) after APR for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Proposed by AEGCL	Approved after APR
1	Net ARR	632.07	539.41
2	Revenue with Approved Tariff	460.45	460.45
3	Revenue from STOA/MTOA Charges	12.00	12.00

Sr. No.	Particulars	Proposed by AEGCL	Approved after APR
4	Revenue Gap/(Surplus)	159.62	66.96

The APR reveals a gap of Rs. 66.96 Crore for FY 2022-23. It is only indicative, in the absence of Audited Annual Accounts for FY 2022-23. It will be considered during the Truing up process for FY 2022-23, after the Audited Annual Accounts are made available.

6 Revised ARR for AEGCL for FY 2023-24

6.1 Introduction

This Chapter deals with the approval of ARR of AEGCL for FY 2023-24 in accordance with the provisions of MYT Regulations, 2021.

6.2 Transmission Loss

AEGCL has projected the Transmission Loss for FY 2023-24, as detailed in the Table below:

Table 36: Transmission Losses Projected by AEGCL for FY 2023-24 (MU)

Sl.	Particulars	As per T.O. dated 21.03.2022	AEGCL Submission
1	Energy Injected		12041.60
2	Energy Sent Out to APDCL		11455.67
3	Energy Sent Out to OA Consumers		188.00
4	Total Energy Sent Out		11,643.67
4	Transmission Loss		397.93
5	Transmission Loss (%)	3.25%	3.30%

Commission's Analysis

The Commission in the MYT Order dated March 21, 2022, has approved annual Transmission Loss trajectory of 3.30%, over the Transmission Loss level approved for FY 2023-24.

Accordingly, the Commission has approved the following Transmission Loss trajectory:

Table 37: Transmission Losses Approved for FY 2023-24

Sl.	Particulars	FY 2023-24
1	Transmission Loss	3.30%

6.3 Transmission Availability

AEGCL has projected the Transmission Availability of 99.50% for the FY 2023-24.

Commission's Analysis

The MYT Regulations, 2021 specifies the Normative Transmission Availability of 98% for full recovery of transmission charges and 98.5% for incentive consideration. Also, the computation and payment of Transmission Charges has been linked to monthly Transmission Availability computed as per the MYT Regulations, 2021.

The Commission notes that AEGCL has projected the trajectory of Transmission Availability higher than Normative Transmission Availability as specified in MYT Regulations, 2021. The computation of incentive/disincentive on account of Transmission Availability shall be undertaken at the time of truing up for FY 2023-24 in line with the MYT Regulations, 2021.

6.4 Operation and Maintenance Expenses

AEGCL submitted that O&M expenses for FY 2023-24 have been computed on the basis of revised estimates for FY 2022-23 and consist of following heads:

- a) Employee expenses;
- b) R&M expenses;
- c) A&G expenses;

The claim of AEGCL under various heads of O&M expenses are discussed below:

Inflation Indices

AEGCL submitted that the average increase in the Wholesale Price Index (WPI) for the immediately preceding three years gives the WPI Inflation for the Base year. Since the WPI data is currently available till FY 2021-22, the Inflation factor could be computed till FY 2022-23. Hence the resulting WPI Inflation is considered for computational purpose of FY 2023-24. Hence, the resulting average WPI of 5.32% has been considered for projecting the O&M expenses for FY 2023-24.

AEGCL submitted that the average increase in the Consumer Price Index (CPI) for the immediately preceding three years gives the CPI Inflation for base year. Since the CPI data is currently available till FY 2021-22, the Inflation factor could be computed till FY 2022-23. Hence, the resulting average CPI of 5.89% has been considered for projecting the O&M expenses for FY 2023-24.

Employee Expenses

AEGCL submitted that the employee cost of FY 2022-23 as estimated in the APR for FY 2023-24 has been considered as the Base employee cost for projecting the employee expenses for FY 2023-24.

AEGCL has accordingly projected the normative employee expenses for the Period as Rs. 213.02 Crore for FY 2023-24.

R&M Expenses

AEGCL submitted that R&M expenses are directly related to the number of substations and lines, age of the assets, and their wear and tear during the period. R&M expenses are generally incurred in order to ensure the maintenance of the transmission lines/systems.

Provision for Colony Maintenance of AEGCL

The residential premises of most of the AEGCL Colonies are in need of immediate renovation. Many such residential quarters were built in the early 60's and these buildings require immediate renovation. The interior colony roads, water supply schemes, control room buildings, cable trenches, drainage systems, etc., in many colonies are in dilapidated condition.

Unless the repair and renovation works are taken up on urgency basis, this infrastructure shall further deteriorate, and it will be difficult to derive any service from this asset. Gradual deterioration of these infrastructure leads to the obvious consequence for more and more deployment of monetary resources.

For a prolonged period in the past, no major repair and renovation works could be taken up by erstwhile ASEB/AEGCL due to serious financial crunch. Whatever little work was carried out was not commensurate with volume of renovation needed for these assets.

A comprehensive analysis of the requirement towards the renovation of these infrastructure indicates a tentative requirement of Rs. 36 Crore. The crux of the problem is that the required amount far exceeds the normative R&M expenses computed by AEGCL. On the other end, these works do not fall under the category to merit sanction of grant from Govt/other Agencies as fund from such agencies are received only for new projects. Unless a separate coffer is available through approval by the Commission, it shall become more and more difficult for AEGCL to undertake repair and renovation of civil assets.

Emergency Spares Material

AEGCL is presently having 5804 CKM of transmission line in its network at various voltage levels passing through river crossings, hilly terrain and forest areas etc. In order to provide un-

interrupted power supply to the consumer, network strengthening, and immediate restoration is necessary

Presently, AEGCL is in acute shortage of electrical conductors that are used in the transmission line and substations. Moreover, the occurrence of faults at downstream side is very high and operation of 33 KV Circuit breaker is more in comparison to higher voltage level due to fault or any operation due to shut down, maintenance purpose in the grid substation. To meet the above emergency requirements, that can be arising out of snapping of any transmission line, snapping of conductor in the switchyard area and interruption of any 33 KV feeder from the AEGCL grid substation due to malfunction/damage of a 33 KV Circuit Breaker the tentative estimate amounting to Rs. 4.69 crore is prepared and also request the Hon'ble Commission to allow AEGCL to meet these expenses over and above the normative R&M expenses.

Provision for Cyber Security

AEGCL submitted that, to cope with the existing Cyber Threats and remain updated various steps need to be undertaken which require financial involvement. Also, Cyber Security related issues cannot be taken lightly, and any data breach or attack may have disastrous impact for the organization and also be a breach in National Security. Further, it has been clearly mentioned in CEA (Cyber Security in Power Sector) Guidelines, 2021 under Article 1(j) that the responsible Entity shall allocate sufficient Annual budget for enhancing Cyber Security posture, enhanced year over year. In this regard, AEGCL requests the Hon'ble Commission to approve the amount towards Cyber Security as requested over and above the R&M expenses for FY 2023-24.

Therefore, in view of the above, AEGCL requests the Hon'ble Commission to approve an amount of Rs. 34.72 crores for Repair and Maintenance expenses including the provision for colony maintenance of AEGCL, Emergency Spares Material and Cyber Security for FY 2023-24 without any disallowance.

AEGCL has accordingly projected the normative R&M expenses for FY 2023-24 as Rs. 34.72 Crore for FY 2023-24.

A&G Expenses

AEGCL has projected the normative A&G expenses for FY 2023-24 as Rs. 11.33 Crore FY 2023-24.

Expenses towards Training and Capacity Building

AEGCL submitted that on account of technological changes, training of manpower is required in order to achieve operational effectiveness along with the accident-free workplace. It is pertinent to mention that for awareness of new technology and adapting better working conditions to reduce accidents and mishaps, AEGCL proposes to conduct technology and safety training workshops at regular intervals.

The above-mentioned proposed expenses towards training and capacity building of AEGCL employees is also included in the A&G expenses projected for FY 2023-24. This is inevitably required for conducting frequent technical, managerial and financial training, hence, enabling AEGCL to smoothly function in a safe and efficient manner.

AEGCL estimated the cost of Training and Capacity Building in the Petition and requested the Commission to approve the projected cost of Rs. 0.30 Crore to be incurred on training / awareness and capacity building from FY 2023-24.

Commission's Analysis

The Commission has computed the O&M Expenses for FY 2023-24 on normative basis as per MYT Regulations, 2021. Any variation between normative O&M expenses and actual O&M Expenses shall be considered under sharing of gains and loss on account of controllable items as per Regulation 10 of MYT Regulations, 2021 at the time of truing up for respective year.

For computation of employee expenses for FY 2023-24, the Commission has adopted the following approach:

- a) The Normative employee expenses for FY 2022-23 have been considered as base expenses;
- b) The base employee expenses for the period of FY 2023-24 have been escalated by applicable CPI inflation factor from FY 2020-21 to FY 2022-23, to derive the base expense for FY 2023-24, which works out to Rs. 196.94 Crore;
- c) CPI inflation has been computed for FY 2023-24 based on available data, which works out to 5.18%;
- d) Considering the projected expansion of transmission network and projected increase in number of employees over FY 2023-24, growth factor of 1% has been considered.

The normative employee expenses approved for FY 2023-24 are shown in the following Table:

Table 38: Approved Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	Legend	As per T.O. dated 21.03.2022	AEGCL Submission	Approved for FY 2023-24
Actual Employee Expenses for the previous year	EMP _{n-1}	184.39	199.18	185.39
CPI Inflation	CPI	5.53%	5.89%	5.18%
Growth factor	G _n	1.00%	1.00%	1.00%
Normative Employee Expenses		196.54	213.02	196.94

For computation of R&M Expenses for FY 2023-24, the Commission has considered the following approach:

- a) WPI inflation has been computed for FY 2023-24 based on available data, which works out to 8.02%;
- b) K-factor has been considered as 0.75% as approved in the MYT Order dated March 21, 2022;
- c) Since, K-factor has been computed on the basis of average GFA, for projection of R&M expenses for FY 2023-24, average GFA for previous years has been considered;
- d) On the Issue of Provision for Colony Maintenance and ERS, the Commission has not delved into the prudence of the provisioning proposed by the Utility. The Commission is of the opinion that AEGCL should consider executing these projects based on Open Competitive Bidding so that the cost discovered could be justified.
- e) **Additional amount for procurement of Emergency spare materials:** As regards this, the Commission notes that, AEGCL's R&M expense over the years has always been lower than normative expenses allowed. The Commission is of the opinion that AEGCL has sufficient funds from normative R&M Expenses to account for these expenses which is already under the purview of R&M Expense. AEGCL is also directed to incur expenditure prudently. Hence, the Commission disallows AEGCL's prayer to allow procurement for emergency Spare material over and above normative R&M Expense limit and directs them to incur these expenses under normative R&M Expense.
- f) **Provision for Cyber Security:** AEGCL has claimed Rs. 1.88 Crore expenditure for cyber security of its systems so that adverse events related to cyber security could be mitigated. Considering the overall scenario, the Commission is of the

opinion that, AEGCL's claim for expenditure on Cyber security is justified. AEGCL is directed to provide information to the Commission with its actual expenditure on this with necessary documentary proof on half yearly basis.

- g) The Commission directs AEGCL to file a status report of all three of the projects with necessary detail so that prudence of the cost incurred by AEGCL could be assessed by the Commission (like proof of Competitive Bidding, Price discovered, Work Order or Purchase Order, etc.).

The normative R&M expenses approved for the Control Period are shown in the following Table:

Table 39: Approved R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Legend	As per T.O. dated 21.03.2022	AEGCL submission	Approved by Commission
Opening GFA for previous year		2708.47	2,732.20	2,731.97
Closing GFA for previous year		2908.47	2,893.29	2,893.06
Average GFA for previous year	GFA _{n-1}	2808.47	2,812.74	2,812.52
K Factor	K	0.75%	0.75%	0.75%
WPI Inflation	WPI	4.13%	5.32%	8.02%
Normative R&M Expenses		22.04	22.22	22.79
Provision for Colony Maintenance of AEGCL		5.93	5.93	5.93
Provision for Emergency Restoration System			-	-
Additional amount for procurement of Emergency Spare materials			4.69	-
Additional amount for Cyber Security			1.88	1.88
Net Normative R&M Expenses		27.97	34.72	30.60

For computation of A&G expenses for FY 2023-24, the Commission has adopted the following approach:

- a) The A&G expenses approved after APR for FY 2022-23 have been considered as base expenses;
- b) WPI inflation has been computed for FY 2023-24 based on available data, which works out to 8.02%.

The approved A&G expenses for FY 2023-24 are shown in the following Table:

Table 40: Approved A&G Expenses for FY 2023-24 (Rs. Crore)

Particulars	Legend	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
A&G Expenses for Previous Year	A&G _{n-1}	9.83	10.75	10.67
WPI Inflation	WPI	4.13%	5.32%	8.02%
Normative A&G Expenses		10.23	11.33	11.53

As regards Training expenses, the Commission is of the opinion that it should be part of Normative A&G Expenses. The Commission had allowed Training Expense separately in addition to normative A&G Expenses in the previous Control Period as an incentive to AEGCL to train its employees in modern technology so that their productivity increases. However, any incentive should not be extended indefinitely and the Commission has already allowed this special incentive to AEGCL for whole Control Period from FY 2019-20 to FY 2021-22.

Hence, the Commission has not approved any additional expense towards Training Expenses for FY 2023-24.

The summary of normative O&M expenses approved by the Commission for FY 2023-24 is shown in the Table below:

Table 41: Approved O&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
Employee Expenses	196.54	213.02	196.94
R&M Expenses	27.97	34.72	30.60
A&G Expenses	10.23	11.33	11.53
Total O&M Expenses	234.74	259.07	239.07

6.5 Capitalisation

The Commission had approved capitalisation of Rs. 250 Crore for FY 2023-24 in the MYT Order dated March 21, 2021. AEGCL has projected revised capitalisation of Rs. 924.43 Crore in its Petition.

AEGCL submitted that the funding of Capital Expenditure is envisaged through Grants, Equity,

and Loans, as per funding pattern of the respective Schemes, as shown in the following Table:

Table 42: Capital Expenditure and Capitalisation submitted by AEGCL (Rs. Crore)

Particulars	As per T.O. dated 21.03.2022	AEGCL Submission
Capitalisation	250.00	924.43
Funding of Capitalisation		
Grant	219.54	923.04
Equity	2.29	0.00
Debt	28.17	1.39

Commission's Analysis

The Commission has approved the Scheme-wise Capital Expenditure and Capitalisation as elaborated in MYT Order dated March 21, 2022. But the Commission also notes that in previous years AEGCL has consistently failed to achieve its projected capitalisation figures claimed. Thus, the Commission has considered the amount of capitalisation it can realistically make in FY 2023-24 which the Commission considers as Rs. 225 Crore.

The Commission clarifies that the approach adopted by the Commission does not bar AEGCL from implementing the schemes as approved in the Capital Investment Plan for FY 2023-24. In case AEGCL achieves higher Capital Expenditure and Capitalisation, the same may be submitted at the time of truing up for the respective year.

The funding of Capitalisation approved by the Commission for FY 2023-24 is shown in the following Table:

Table 43: Funding of Capitalisation approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	As per T.O. dated 21.03.2022	AEGCL Submission	FY 2024-25
Grant/Consumer Contribution	219.54	923.04	224.66
Equity	2.29	0.00	-
Debt	28.17	1.39	0.34
Total Capitalisation	250.00	924.43	225.00

6.6 Depreciation

AEGCL submitted that depreciation has been computed as per MYT Regulations, 2021 for FY 2023-24. Depreciation has been calculated taking into consideration the opening balance of assets for the respective year and the projected capitalization. The Closing Gross Fixed Assets for FY 2022-23 has been considered as the opening balance of assets for FY 2023-24. As specified in MYT Regulations, 2021, depreciation is calculated as per SLM considering depreciation to the extent of 90% of the Asset Value. The Depreciation of assets created through Grant has been reduced before arriving at Net depreciation.

AEGCL submitted that, the proposal submitted to GoA for conversion of Govt. Loan & Grants to AEGCL into equity and waiver of interest accrued on such loan as on 31.03.2021 has been approved by the Cabinet of GoA in its meeting held on 24.12.2021 and the same through vide letter no. PEL.58/2021/pt./105 dated 03.02.2022. After receiving approval from the Cabinet, Power (E) Department, GoA has issued sanction order to Accountant General (AG) vide letter no. FS/42-2021-22(1)-07 dated 31.12.2021 and letter no. FS/42-2021-22(1)-08 dated 31.12.2021. In view of the above, Government Grants of Rs. 1955.05 Crore and Loans of Rs. 638.41 Crore total amounting to Rs. 2593.46 Crore are converted to equity.

AEGCL submitted that the GFA of SLDC has been segregated from AEGCL's GFA and is filed separately under SLDC's Tariff Petition. AEGCL claimed the depreciation of Rs. 124.19 Crore for FY 2023-24.

Commission's Analysis

For computation of depreciation, the Commission has considered the closing GFA for FY 2022-23 as approved in this Order, as the Opening GFA for FY 2023-24. The capitalisation approved for FY 2023-24 has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2021.

The Commission recognised Government's conversion of Grant and Loan issued to AEGCL as equity, which is capped to 30% of GFA which is the total funding requirement of AEGCL. Accordingly, closing grant towards GFA have been reduced to that extent in FY 2022-23. For FY 2023-24 Grant towards GFA is considered considering closing grant towards GFA and addition to grants towards GFA during the year projected for FY 2023-24.

As per the MYT Regulations, 2021, the total depreciation during the life of the asset shall not exceed 90% of the original cost of GFA. The Commission has computed the depreciation separately for assets added under each asset head in each year. The Commission has disallowed the depreciation on assets where depreciation is in excess of 90% of the original

cost of asset under different asset heads.

In view of the above, the Commission has approved depreciation for FY 2023-24 as per MYT Regulations, 2021, as given in the Tables below:

Table 44: Depreciation approved for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	47.66	-		-
	Land under lease	-	-		-
2	Building	67.16	-	3.34%	1.68
3	Hydraulic	2.64	-	5.28%	
4	Other Civil Works	142.73	5.95	3.34%	4.87
5	Plant & Machinery	1,408.62	151.81	5.28%	74.40
6	Lines & Cable Network	1,199.29	63.62	5.28%	43.89
7	Vehicles	4.96	-	9.50%	0.07
8	Furniture & Fixtures	9.83	1.29	6.33%	0.55
9	Office Equipment	8.37	2.33	6.33%	0.54
10	Computer and accessories	1.81	-	15%	0.27
11	Grand Total	2,893.06	225.00	4.20%	126.26
12	Asset excluding Land	2,845.40	225.00		
13	Less: Depreciation for Grants/ Consumer Contribution				7.68
14	Net Depreciation				118.59
15	Depreciation towards CC				0.90
16	Net Depreciation after CC & Grants				117.69

6.7 Interest on Loan Capital

AEGCL has considered the closing net normative loan for FY 2022-23 as per its submissions, as the opening net normative loan for FY 2023-24. The normative repayment has been considered equal to the depreciation. The addition of loan based on the capitalisation and computed depreciation excluding grant and conversion of Government Loans of Rs. 638.41 Crore to equity for AEGCL has been considered. The weighted average interest rate on the

actual loan portfolio works out to 10.08% for FY 2023-24.

AEGCL has claimed the Interest and Finance Charges for FY 2023-24 as Rs. 5.16 Crore.

Commission's Analysis

The Commission has considered the opening net normative loan as on April 1, 2023 as Rs. 159.58 Crore, based on the closing net normative loan of FY 2022-23 and after segregating the loan for SLDC. The addition of loan has been considered equal to debt portion of capitalized works as approved by the Commission in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order.

The weighted average rate of Interest of 9.92% applicable for FY 2022-23 has been considered for computing the normative interest for FY 2023-24. The interest on loan capital as approved by the Commission for FY 2023-24 is shown in the following Table:

Table 45: Approved Interest on Loan for FY 2023-24 (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved the by Commission
Net Normative Opening Loan	226.51	102.28	159.58
Addition of normative loan during the year	28.17	1.39	0.34
Normative Repayment during the year	37.46	124.19	118.59
Net Normative Closing Loan	217.22	-	41.33
Interest Rate	10.08%	10.08%	9.92%
Interest Expenses	22.35	5.15	9.96
Finance Charges	0.01	0.01	0.01
Total Interest and Finance Charges	22.36	5.16	9.97

6.8 Return on Equity

AEGCL submitted that Base Return on Equity is calculated at 13.50% and additional 1% for achieving 80% approved capitalization for previous year and 2% for achieving 100% approved capitalization for previous year. The Return on Equity has been computed at 13.5% on closing balance of equity based upon the opening balance of equity and normative additions during the years. Accordingly, AEGCL has projected the RoE as Rs. 119.53 Crore for FY 2023-24.

Commission's Analysis

The Commission has approved the RoE in accordance with the MYT Regulations, 2021. The

Commission has considered the approved RoE at 13.50% is shown in the Table below:

Table 46: Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL Submission	Approved by the Commission
1	Opening Equity Capital	102.71	885.39	827.01
2	Equity addition during the year	2.29	-	-
3	Closing Equity	105.00	885.39	827.01
5	Rate of Return on equity	13.50%	13.50%	13.50%
6	Return on Equity	14.02	119.53	111.65

6.9 Interest on Working Capital

AEGCL submitted that the normative interest on working capital (IoWC) has been computed in accordance with the MYT Regulations, 2021. The rate of interest provided on the working capital is the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (one-year tenor) prevalent during last available six months for the determination of tariff. Accordingly, AEGCL has projected the IoWC as Rs. 18.81 Crore FY 2023-24.

Commission's Analysis

The Commission has computed normative IoWC in accordance with the MYT Regulations, 2021. The rate of Interest has been considered equal to State Bank of India MCLR rate as on 1st April, 2022 plus 300 basis points, i.e., 10.58% For computation of working capital requirement, normative O&M expenses have been considered. Further, receivables have been considered equal to the ARR approved for FY 2023-24 in this Order. IoWC approved by the Commission for FY 2023-24 is shown in the following Table:

Table 47: IoWC approved by the Commission for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL Submission	Approved by the Commission
1	O&M expenses for 1 month	19.56	21.59	19.92

Sr. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
2	Maintenance spares @ 15% of O&M Expenses	35.21	38.86	35.86
3	Receivables for two months	83.85	117.46	111.818
4	Total Working Capital	138.62	177.91	167.60
5	Rate of Interest	10.00%	10.58%	10.58%
6	Interest on Working Capital	13.86	18.81	17.72

6.10 Income Tax

AEGCL submitted that as per MYT Regulations, 2021, actual Income Tax paid shall be reimbursed to the Transmission Licensees, based on the documentary evidence submitted at the time of truing up of each year.

Commission's Analysis

The Commission has not considered any provision towards Income Tax. The actual Income Tax paid shall be considered based on the documentary evidence submitted at the time of truing up of FY 2023-24, subject to prudence check.

6.11 Other Debits

AEGCL submitted that other costs and bad debts had not been considered in the estimated ARR and it may claim the same at the time of true-up of FY 2023-24.

Commission's Analysis

The Commission, at this stage, has not considered any other Debits. The Commission may take an appropriate view on AEGCL's claim, if any, at the time of truing up for FY 2023-24 after prudence check.

6.12 BST for Pension Fund

Government of Assam (GoA) vide its Notification dated 4th February 2005 had entrusted the existing Pension Trust to be common trust for all the new companies till further orders of ASEB/GoA. Terminal benefits are defined as follows in Clause 1.5 of the aforementioned notification:

"ASEB's employee related liabilities, including payment of pension, gratuity, leave

encashment and general provident fund and any other retirement benefits and other applicable benefits including the right to have the appropriate revisions in the above benefits consistent with the practice that were prevalent with the Board".

In view of the above, AEGCL submitted that the special charges on account of Bulk Supply Tariff have been computed considering the Bulk Supply Tariff at 20 paise per unit of energy sent out to APDCL, as shown in the Table below:

Table 48: Special charges - BST for FY 2023-24 by AEGCL (Rs. Crore)

S.N.	Particulars	As per T.O. dated 21.03.2022	FY 2023-24
1	Energy Sent Out to APDCL (MUs)		11455.67
2	BST Charge (Rs. /kWh)	231.75	0.20
3	Total (3=1*2/10)	231.75	229.11

Commission's Analysis

Accordingly, the Commission approves BST for Pension Fund at 20 Paise per unit on the energy transmitted to APDCL, as approved in MYT Order of APDCL, as shown in the following Table:

Table 49: BST for Pension Fund as approved by the Commission (Rs. Crore)

Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
BST for Pension Fund at 20 paise per unit	231.75	229.11	230.34

6.13 Non-Tariff Income

AEGCL has projected the Non-Tariff income as Rs. 54.01 Crore for FY 2023-24. AEGCL submitted that the interest/dividend earned from North East Transmission Company Limited (NETCL) by AEGCL has not been considered under NTI, in accordance with the MYT Regulations, 2021. The GPF liability is payable to an employee only after completion of 25 years of qualifying services. The accumulation of GPF is utilised as internal resources by

AEGCL. As such GPF is shown as unsecured loan and the interest payable on GPF has been computed at 7.10% per annum for FY 2023-24 amounting to Rs. 2.05 Crore. Interest on GPF has been deducted from NTI.

Commission’s Analysis

The Commission notes that the said NTI comprises Dividend Income of other investment of AEGCL. Regulation 68.1 of MYT Regulations, 2021 specifies that,

“68.1 ...

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the regulated business of the Transmission Licensee shall not be included in Non-Tariff Income.

...”

The Commission approves the Non-Tariff Income of Rs. 58.45 Crore for FY 2023-24.

The actual non-Tariff income shall be considered at the time of truing up for FY 2023-24, after prudence check.

6.14 Contribution to Contingency Reserves for FY 2023-24

Regulation 67.9 of MYT Regulations, 2021 specifies regarding the contribution to contingency reserves. As is well known, the river basins of Assam in general and north bank river basins in particular bear a pattern, which is totally different from other basin rivers in the country. The contingency reserves for FY 2023-24 shall help in reinstallation of flood demised assets/construction of new towers in place of collapsed towers.

The Commission has approved Rs. 2.91 Crore for FY 2023-24 through its Order dated March 21, 2022. The creation of contingency reserves for FY 2023-24 to coffer for protection of flood demised assets/ construction of new towers in place of collapsed towers. The contribution to Contingency Reserves claimed by AEGCL for FY 2023-24 is shown in the Table below:

**Table 50: Contribution towards Contingency Reserves for FY 2022-23 to FY 2024-25
(Rs. Crore)**

Sl. No.	Particulars	As per T.O. dated 21.03.2022	FY 2023-24
1	Opening GFA for Previous year	2908.47	2914.3
2	% Factor	0.1%	0.10%
3	Contingency Reserves (1*2)	2.91	2.91

Commission's Analysis

Regulation 67.9.1 specifies as under:

“67.9.1 The Transmission Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.1 per cent of the gross fixed assets approved by the Commission at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement:

Provided that where the amount of such Contingency Reserve exceeds one (1) per cent of the gross fixed assets, no such appropriation shall be allowed, which would have the effect of increasing the reserve beyond the said maximum:

Provided further that the amount so appropriated may be invested in securities and fixed deposit. Interest earned shall be added to the Contingency Reserve.

Provided also that the Transmission Licensee shall maintain separate account for such reserve”

It is observed that AEGCL has computed the Contribution towards Contingency Reserves based on the Opening GFA of the previous year rather than the year under consideration. The Commission has approved the Contribution towards Contingency Reserves for FY 2023-24, in accordance with the MYT Regulations, 2021 based on approved opening GFA of that year, as shown in the Table below:

Table 51: Approved Contribution towards Contingency Reserves for FY 2023-24 (Rs. Crore)

S. No.	Particulars	Approved in T.O. dt. 21.03.22	AEGCL	Approved by the Commission
1	Opening GFA for the current year	2908.47	2914.3	2893.06
2	% Factor	0.10%	0.10%	0.10%
3	Contingency Reserves (1*2)	2.91	2.91	2.89

The Commission also directs AEGCL to submit report of actual expenditure on such projects during true up of FY 2023-24 so that account of contingency reserve could be maintained.

Thus, the Commission approves the Contribution towards Contingency Reserves of Rs. 2.89 Crore for FY 2023-24. The actual Contribution towards Contingency Reserves shall be considered at the time of truing up for FY 2023-24, after prudence check.

6.15 Incentive for FY 2015-16

AEGCL submitted that due to inadvertent error the transmission incentive was included as Non-Tariff Income in the audited annual Accounts for Y 20215-16 and the same has been added to the Non-Tariff Income in the true up Petition for FY 2015-16.

AEGCL has claimed a loss of revenue of Rs. 10.60 Crore due to reduction of incentive claim receivable from APDCL in the true up tariff petition for the FY 2015-16 because of erroneous inclusion of incentive component of Rs. 10.60 Crore as miscellaneous receipt under non-tariff income.

Commission's Analysis

The Commission is of the view that AEGCL has enjoyed ample opportunity to review any grievance towards its Tariff Orders through review mechanism. The Commission notes that grievances like this may occur in future any time regarding any of its ruling. But it is not right that the tariff Order which has been finalised and disposed of have to be once more opened to accommodate the erroneous submission of petitioner. The Commission had approved its Tariff Order in due time with the documents it had available and thought to be correct. If any inconsistency in the tariff Order remains the Commission rectifies them through Review Order. The Commission is of the opinion that beyond these no further changes to the Tariff Order should be entertained.

Hence, the Commission disallows the claim of AEGCL in regards to Transmission Availability of FY 2015-16.

6.16 Revenue from STOA/MTOA Charges

AEGCL submitted that the Income from open access consumers has been projected based on actual of FY 2021-22 and six months actual for FY 2022-23. AEGCL has projected income from open access consumers as Rs. 12 Crore for FY 2023-24.

Commission's Analysis

In the previous Tariff Order, the Commission had taken a view that the Income from short-term Open Access/medium-term Open Access (STOA/MTOA) shall not be considered at the time of ARR and Tariff determination for any year, and shall be considered based on actuals at the time of true-up for that year. However, it has been observed that there is reasonable certainty regarding this income, and AEGCL has been earning approximately the same amount of Rs.12 Crore every year.

In its Petition, AEGCL has considered this Income to reduce the ARR to that extent. Hence, the Commission has also considered this Income at this stage itself, in order

to present a realistic picture of the ARR and Revenue. The Commission has considered this Income as Rs. 12 Crore for FY 2023-24, as projected by AEGCL. The actual Income from STOA/MTOA shall be considered at the time of true-up for the respective year.

6.17 Summary of ARR for FY 2023-24

The summary of ARR as submitted by AEGCL and as approved by the Commission for FY 2023-24 is given in the Table below:

Table 52: ARR for FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2023-24		
		Approved MYT Order	Proposed by AEGCL	Approved by the Commission
1	O&M Expenses	234.74	259.07	239.07
a	<i>Employee Cost</i>	196.54	213.02	196.94
b	<i>R&M Expenses</i>	27.97	34.72	30.60
c	<i>A&G Expenses</i>	10.23	11.33	11.53
d	<i>Training Expenses</i>	-	0.30	-
2	Depreciation	37.46	124.19	117.69
3	Interest and Finance Charges	22.36	5.16	9.97
4	Interest on Working Capital	13.86	18.81	17.72
5	BST for Pension Trust Fund	231.75	229.11	230.34
6	Return on Equity	14.02	119.53	111.65
9	Contribution to Contingency Reserve	2.91	2.91	2.89
10	Less: Non-Tariff Income/ Other Income	54.01	54.01	58.45
11	Add: Incentive for FY 2015-16	-	10.60	-
	Aggregate Revenue Requirement	503.11	715.39	670.88
12	Revenue from STOA/MTOA Charges	12.00	12.00	12.00
13	Net Revenue Requirement	491.11	703.39	658.88

7 Transmission Tariff for FY 2023-24

7.1 Cumulative Revenue Gap/(Surplus) and Net ARR for recovery

AEGCL has computed the Revenue gap on account of True-up for FY 2021-22 along with the holding Cost as shown in the Table below. The Interest rate has been considered equal to the average State Bank of India MCLR (1-Year tenure) prevalent for the last available six months plus 300 basis points, as per AERC (MYT Regulations) 2021.

Table 53: Cumulative Revenue Gap/(Surplus) (Rs. Crore)

Particulars	Amount
Revenue gap for FY 2021-22	14.89
Carrying cost on Revenue gap for FY 2021-22	3.11
Total Gap / (Surplus)	18.00

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Opening Balance	0	14.89	14.89
Recovery/(Addition) during the year	(14.89)	-	14.89
Closing Balance	14.89	14.89	
Rate of Interest (%)	10.00%	10.58%	10.58%
Carrying Cost	0.74	1.58	0.79
Total Carrying Cost			3.11

Commission's Analysis

For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2021-22 as approved in this Order along with Carrying/(Holding)Cost. No Revenue Gap/(Surplus) arising out of APR of FY 2022-23 has been proposed to be recovered through tariff in FY 2023-24, in accordance with the MYT Regulations, 2021. The Revenue Gap/(Surplus) computed by AEGCL and approved by the Commission in this Order is shown in the Table below:

Table 54: Revenue Gap/(Surplus) for FY 2021-22 approved for recovery/adjustment in FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	MYT Tariff Order	AEGCL	Approved in this Order
1	Net ARR	389.09	415.92	340.48
2	Revenue from Transmission Charges	389.09	401.03	401.03
3	Revenue Gap/(Surplus)	-	14.89	(60.55)
4	Carrying/(Holding) cost		3.11	(12.63)

The Commission has computed the Carrying/ (Holding) cost as shown in the following Table:

Table 55: Carrying/ (Holding) Cost for Revenue Gap/(Surplus) for FY 2021-22 approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening Balance	-	(60.55)	(60.55)
2	Recovery /(Addition) during year	60.55	-	(60.55)
3	Closing balance	(60.55)	(60.55)	-
4	Rate of Interest (%)	10.00%	10.58%	10.58%
5	Carrying /(holding) Cost	(3.03)	(6.40)	(3.20)
	Total Holding Cost		(73.18)	

The Commission has considered the recovery of total Holding cost, i.e., Rs. 73.18 Crore on Revenue Surplus for FY 2021-22. The Commission approves the cumulative Revenue Surplus of AEGCL as Rs 73.18 Crore. This Surplus is to be refunded to APDCL in twelve monthly equal instalments of Rs. 6.10 Crore in FY 2023-24 as adjustment to the monthly bills.

7.2 Transmission tariff for FY 2023-24

AEGCL has proposed the Transmission Tariff for FY 2023-24 based on the cumulative Revenue Gap/(Surplus) after Truing up of FY 2021-22 and based on the projected ARR for FY 2023-24, as shown in the Table below:

Table 56: Transmission Tariff Proposed by AEGCL for FY 2023-24 (Rs. Crore)

Particulars	FY 2023-24
Stand-alone Aggregate Revenue Requirement	703.39
Previous Revenue Gap / (Surplus) with carrying cost	18.00
Net Aggregate Revenue Requirement	721.39
Transmission Charge (Rs./ kWh)	0.62

Commission's Analysis

In accordance with MYT Regulations, 2021 the Commission has determined the Annual Transmission Charges and Transmission System Access Charges for FY 2023-24. The Annual Transmission Charges payable by APDCL and Transmission system access charges payable by other users of AEGCL transmission system are arrived at based on Net ARR of AEGCL and the energy handled by the transmission system.

Annual Transmission Charges for APDCL

The Annual Transmission Charges for FY 2023-24 shall be equal to Net ARR approved for recovery for FY 2023-24, i.e., Rs. 658.88 Crore.

The Commission has determined the Annual Transmission Charges in terms of Rs./kW/ month and per unit charges. The Commission has considered the maximum Contracted capacity of 2,592.44 MW as submitted by AEGCL and estimated energy supplied to APDCL and Open Access consumers as 11,643.67 MU as approved in Tariff Order of APDCL for FY 2023-24.

The Annual Transmission Charges shall be recovered on monthly basis as transmission charge from the users who shall share the Transmission Charge in proportion of the allotted transmission capacity.

AEGCL shall raise the bill for the transmission charge (inclusive of incentive) for a month based on its estimate of Transmission System Availability Factor for the month computed as per MYT Regulations, 2021. The adjustments, if any, shall be made on the basis of the Transmission System Availability Factor to be certified by the SLDC within 30 days from the

last day of the relevant month.

The approved Transmission System Access Charges works out to Rs. 0.57/kWh for FY 2023-24, as shown in the Table below:

Table 57: Transmission Access Charges approved by the Commission for FY 2023-24

Sr. No.	Particulars	FY 2023-24
1	Net ARR for Transmission (Rs Crore)	658.88
2	Energy transmitted to APDCL (MU)	11,643.67
3	Transmission Access Charges (Rs./kWh)	0.57
4	Transmission Charges for LTOA/ MTOA (Rs./MW/day)	6,963.17

For short-term Open Access customers, the Transmission Charges shall be: Rs. 0.57 /kWh.

Note:

- 1) The Commission has considered Annual Maximum Peak for FY 2023-24 as 2592.44 MW.
- 2) Any recovery on account of short-term/medium-term open access charges shall be considered as Non-Tariff Income.

7.3 Applicability of Tariff

The approved Transmission tariff for FY 2023-24 shall be effective from April 1, 2023 and shall continue until replaced/modified by Order of the Commission.

Sd/-
(A. Bhattacharyya)
Member, AERC

Sd/-
(S. N. Kalita)
Member, AERC

Sd/-
(K. S. Krishna)
Chairperson, AERC

8 Directives

The Commission has issued certain directives to AEGCL in the past Orders, with an objective of attaining operational efficiency and streamlining the flow of information, which would be beneficial to the sector and the Petitioner, both in the short-term and long-term.

As regards the directives issued by the Commission in the Tariff Order dated March 21, 2022, AEGCL has submitted the report to the Commission on compliance. The Commission has reviewed the compliance of directives submitted by AEGCL, and the status is as follows:

Status of compliance of directives in the Tariff Order dated 21st March 2022

Sl. No.	Directives	Reply of AEGCL
1	Directive 1: Funding from Government of Assam for employer's contribution to Terminal Liabilities based on Actuarial valuation	<ul style="list-style-type: none"> AEGCL submits that the actuarial valuation conducted in FY 2019 was placed before the GoA to provide one-time funding. As per the calculation, the past unfunded liability was Rs. 7086.24 Crs as on 31.01.2019. However, GoA has not provided one-time funding and continued to provide budgetary support for yearly deficit. GoA has made budgetary support of Rs.292 Crores for FY2021-22 and has already issued financial sanction for Rs.285Crore for FY2022-23.
	Directive 2: Energy Audit and Implementation of SAMAST	<ul style="list-style-type: none"> The revised Energy Audit report for FY 2021-22 has been submitted to the Hon'ble Commission along with this True Up for FY 2021-22 Petition. The report based on the metered energy at different interconnection points and details of the Transmission losses has been submitted with the said petition. The status of the SAMAST as on 21.11.22 is attached herewith as Annexure-XII.
2	Directive 3: Capacity Building	<ul style="list-style-type: none"> AEGCL has submitted the report on manpower planning study to the Hon'ble Commission on 15.03.2021 and 23.07.2021 AEGCL has submitted the training calendar for its employees for FY 2021-22, duly approved by its Board on 21.04.2021 and 23.07.2021 In order to facilitate preventive and schedule maintenance of transmission substations and lines on time, AEGCL has prepared a report on training for maintenance team and same has

Sl. No.	Directives	Reply of AEGCL
		been submitted to the Hon'ble Commission on 23.07.2021.
3	Directive 3: Maintenance of Project-wise Database	<ul style="list-style-type: none"> • AEGCL submits that the AEGCL is maintaining the database on the individual projects under each scheme which is reviewed by the Hon'ble Commission on various meetings on regular basis. • Also, for the projects that have not been commenced by 31st Mar'2022, AEGCL will take prior approval from the Hon'ble Commission as per the necessary details mentioned by the Hon'ble Commission.

New Directives:

The Commission hereby issues the following directives to AEGCL as under:

Directive 1 - Funding from Government of Assam for employer's contribution to Terminal Liabilities based on Actuarial valuation

AEGCL is directed to pursue regarding the funding from Government of Assam for employer's contribution to Terminal Liabilities based on actuarial valuation done.

Directive 2 – Energy Audit and Implementation of SAMAST

The Commission directs AEGCL to carry out the Energy Audit every year and submit the report based on the metered energy at different interconnection points, including the status of metering, functional meters, etc. This Report, with details of Transmission Losses, should be submitted along with the next Tariff Petition. AEGCL is directed to earnestly pursue the implementation of SAMAST.

Directive 3 – Capacity Building

The Commission directs AEGCL to submit the Training Calendar to the Commission for FY 2022-23 latest by 30th April, 2022.

Directive 4 – Maintenance of Project-wise Database

AEGCL is directed to maintain database on the individual Projects under each Scheme with the following details and submit the following details for all ongoing projects at the time of true-

up and Tariff for respective year. Further, for all Projects that have not commenced by March 31, 2022, AEGCL shall obtain the Commission's prior approval based on the necessary details as identified below, even if in-principle approval has been received:

- a) Details/Scope of Project including activities, area covered, etc.;
- b) Start date of Project;
- c) Scheduled completion date of Project;
- d) Funding Plan;
- e) Cost-Benefit-Analysis of the Project (if the Asset is expected to lower Transmission Loss, recording of previous Transmission Loss and Actual Transmission Loss after commissioning)
- f) Present Status of Project, indicating physical progress in percentage terms and in monetary terms;
- g) Status of Capitalisation as per Field Reports and as per Accounts in a compiled manner, i.e., individual project-wise and Scheme-wise Capitalisation and Energisation Report, which would include the certificate of Electrical Inspector for asset being put to use, along with the comparison of project-wise and Scheme-wise approved capital cost;
- h) Whether the intended benefits of the Project have been achieved, etc.

Sd/-
(A Bhattacharyya)
Member, AERC

Sd/-
(S. N. Kalita)
Member, AERC

Sd/-
(K. S. Krishna)
Chairperson, AERC

9 Annexure-1

9.1 Minutes of the 31st Meeting of the State Advisory Committee

Venue: AERC Conference Hall.

Day/Dated: Monday, 30th January, 2023

List of members/special invitees: At Annexure-1 (Enclosed)

The 31st Meeting of the State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Kumar Sanjay Krishna, IAS, (Retd.).

At the onset, Hon'ble Chairperson, AERC welcomed all members and invitees. Hon'ble Chairperson informed that the utilities have submitted Tariff petitions for True up for FY 2021-22, Annual Performance Review for FY 2022-23 and Aggregate Revenue Requirement for FY 2023-24. The Commission directed the petitioners to publish the petition in abridged form for information of the public and for comments/suggestions. In response to the petitions, several stakeholders submitted their views. The Hon'ble Chairperson informed that a public hearing on the tariff petitions will be held in the month of February. Shri Krishna observed that the State Advisory Committee has an important advisory role to play and requested the members to give constructive views and suggestions to enable the Commission to complete tariff determination process within the timeline. The Hon'ble Chairperson informed that as MD, APDCL could not be present in the meeting, another meeting with APDCL would be held very soon so that more meaningful discussions on the proposed APDCL tariff hike and increase in power purchase cost etc, could take place. Thereafter, the agenda items were taken up for discussion in seriatim.

The important points raised by the members during the discussions are briefly recorded below.

Agenda Item No 2 : Brief presentation on Action Taken Report of AEGCL, APGCL and APDCL

APGCL

A brief presentation by Mr. Jayjeet Bezbaruah, Assistant Director (Engg) on action taken report of APGCL, AEGCL followed by comment and views from the Members.

During the presentation on action taken report of APGCL, Shri Dilip Sarma Member opined that conversion of grants to equity by APDCL will lead to substantial increase in the Retail Tariff. Shri Subodh Sharma, Member mentioned that while it may be legitimate to convert the grants into equity but it should not be allowed as the cost of retail Tariff which will ultimately burden the consumers. Thereby, Shri Sharma requested AERC to look into the whole issue from the retail consumer's perspective.

The Hon'ble Chairperson, AERC clarified that conversion of grant to equity pertains to all the three utilities and has been claimed in the respective tariff as Return on Equity by each utility. The Hon'ble Member, AERC explained that it is legitimate to convert the grants to equity and assured that the Commission will look into the matter so that the burden on the consumers can be minimized, to a certain extent. Hon'ble Member also mentioned that CERC did this long back in 2001 along with some other states.

Member Shri C. Baruah mentioned that 3 years back, there was a plan to start a pumped storage station in the Chandrapur area. However, no survey was done and finally the plan did not materialize. MD, APGCL informed that a formal survey had taken place and a report has been submitted. According to the survey, there is a possible generation of 40 MW to 70 MW. Member Baruah advised APGCL to visit the Purulia Pumped Storage Project to gain necessary experience to implement the project successfully.

Shri N Borthakur asked APGCL to study the feasibility and financial viability of the Chandrapur project considering per unit storage cost and submit a report on the same to the Commission.

AEGCL

During the presentation on action taken report of AEGCL Shri N Borthakur enquired about the status of 400 KV transmission line of Biswanath Chariali to Khumtai as NRL is to draw power for their new unit from Khumtai GSS. MD, AEGCL informed that, route survey has been completed from Biswanath Chariali to Khumtai. The matters regarding funding of the transmission line and tendering have already been discussed with the Principal Secretary, GoA. MD, AEGCL further informed that no funding could be arranged for the project so far. The land for Khumtai GSS has been handed over to AEGCL.

The Commission asked AEGCL to implement the project as early as possible and tie up with some funding agency on priority basis. CGM, AEGCL informed that the initial load of new unit of NRL will be arranged at 220 KV from Khumtai GSS and the Samaguri 220KV line will cater power to the GSS till the 400 KV Biswanath Chariali -Khumtai line is complete.

MD, AEGCL informed that the proposal for augmentation of 220/132 KV Rangia GSS has been forwarded to GoA under SOPD-G scheme. Hon'ble Member AERC suggested that AEGCL should try to collect funds from private lenders at a cheaper rate than Govt lending rate. Shri Subodh Sharma agreed that as AEGCL have high equity, other options for cheaper loans should be explored.

Shri Abhijit Barooah stated that, AEGCL is paying 10.5% interest on GoA loan. The utility should take up this matter with GoA to reduce the interest rate for the benefit of the consumers. Secretary, Power (E) Department, GoA informed that no proposal in this regard has been received and, if requested, the matter will be looked into.

Shri Dilip Sharma stated that if power is supplied at lower than the rated voltage then losses will be more. Hence, action should be taken to improve voltage profile and reduce transmission loss. Shri Subodh Sharma observed that AEGCL has hardly taken any steps to reduce the losses and the Transmission losses for FY 2023-24 is 3.30% as per the submission of the tariff petition. Shri Sharma also enquired regarding steps taken to improve voltage at Nalkata. CGM, AEGCL informed that new grid substations are being constructed which will result in voltage improvement. Also, capacitor banks have been installed at Nalkata to improve voltage.

Shri Abhijit Barooah suggested that procuring power from neighboring Bhutan may be explored where power is available at a cheaper rate. Shri Prabhat Bezbaruah informed that PTC India Ltd signed PPAs with Power Utilities of Bhutan for supply of power from various hydro stations to DISCOMs in India. For Assam, power from Mangdechu Hydro Plant has been procured through similar arrangement.

Shri Subodh Sharma enquired about the 132 KV Substation in Udharband which was sanctioned in 2018. He stated that the industries are affected because of the power shortage and poor voltage profile in that area. MD, AEGCL informed that the GSS will be commissioned under AIIB scheme. Shri Subodh Sharma requested to expedite the works for the GSS so that power scenario in Cachar improves.

Agenda Item No 4: Presentation and Discussion on Tariff Petitions by the utilities

Presentation by APGCL

A Power Point Presentation was made by representative from APGCL regarding approval of True up for FY 2021-22, Revised Capex Plan for FY 2022-23 to FY 2023-24, Petition for Annual Performance Review for FY 2022-23 and Revised ARR for FY 2023-24.

MD APGCL, Shri B. Bhuyan mentioned that Gas price increased by ~ 379% from Sept'21 to Oct'22. He highlighted the substantial increase in gas price which are as follows: from April 21 to September 21—1.79 \$/MMBTU, from October-21 to March 22— 2.90 \$/ MMBTU, from April 22 to September 22 – 6.10 \$/MMBTU and from October-22 to March 23 – 8.57 \$/MMBTU. Shri Bhuyan also informed that a Ketan Parekh committee was formed by GOI, and the Committee has fixed a base price of 4.5 \$/MMBTU with a cap of 6.5 \$/MMBTU. The same has been accepted by MOPNG and waiting for the cabinet approval. MD APGCL also mentioned that once the approval is done the gas price is likely to decrease.

During the presentation Shri A Baruah from CII expressed concern over increase in generation cost of the gas-based power plants of APGCL. Shri Baruah urged to make an analysis on whether APDCL should buy power from the market/other sources and stop buying power from APGCL considering APGCL's current high submissions.

Shri N Borthakur also urged to make a proper analysis on whether it is beneficial for the APDCL to purchase power at high cost or they should procure power from the market.

MD APGCL mentioned that, APDCL purchased about 11000 units per annum. He mentioned that out of that 11000 units APGCL cater around 13%-17% of the quantum. He also mentioned that till last year APGCL was providing power at a cheaper price (around 40% less) considering the average power purchase cost of APDCL. He also pointed that due to the high gas price the generation cost of the other stations will also go up simultaneously keeping the same impact in the Retail Tariff.

Shri A Bordoloi, Member, advised APGCL to plan for some bigger solar projects as the cost of the Solar is less compared to the Gas based generating stations.

Shri Subodh Sharma and Shri C Baruah enquired about the current status of NRPP STG unit. They also asked regarding MU loss due to the non-generation of NRPP STG unit. Representative of APGCL mentioned that around 35%-40% generation loss occurred due to STG unit break down. MD APGCL informed that the STG unit will be revived by April 2023.

Shri N. Borthakur enquired the reason of high capital expenditure given by APGCL for the NRPP plant.

Representative from APGCL explained that Hot Gas Path Inspection (HGPI) of NRPP at the end of 24000 Running hours will be done by APGCL. He also mentioned that, estimated cost for the HGPI work is 148Cr. This cost has been divided into two equal parts of 74 Crore. First part is proposed for FY 2023-24 to initial procurement of spares and the second part is proposed for FY 2024-25 to procure balance spares and execute the work. APGCL mentioned that HPGI

will contain advance gas path (AGP) components to upgrade the present technology installed in the GT system. This upgradation will eliminate the need for the Combustion inspection at the end of every 12000 Running Hours. This will reduce maintenance and increases gross generation of NRPP by reducing the outage hours due to planned maintenance shutdown.

Shri Subodh Sama Member SAC also enquired what APGCL is planning to do with the refurbished components. APGCL mentioned that the refurbished components will be used in next HGPI at the end of 48000 Running hours making the cost of next HGPI less than the first one. As it is a planned activity by APGCL which is a state-owned entity, Members of SAC noted the point and directed APGCL to maximize the gross generation by reducing the outage hours by planned maintenance shutdown.

Shri Borthakur member SAC also requested APGCL to provide a detailed report of increase in generation once the HGPI work is completed.

Presentation by AEGCL

A PowerPoint presentation was made by MD, AEGCL on the salient features of Tariff petition submitted by AEGCL and SLDC. Important points of the discussion are noted below

In True-up for FY 2021-22, AEGCL has shown ARR of Rs.403.98 Crore and a gap of Rs. 14.89 Crore. For SLDC, in True-Up, ARR of Rs. 6.48 Crore and surplus of Rs. 0.88 Crore has been shown.

For FY 2022-23, AEGCL & SLDC have claimed ARR of Rs.620.07 Crore & Rs. 7.63 Crore and a gap of Rs. 159.62 Crore & Rs. 1.15 Crore respectively.

For FY 2023-24, AEGCL & SLDC has shown ARR of Rs.703.39 Crore & Rs. 10.31 Crore and gap of Rs 212.30 Crore & of Rs.3.40 Crore respectively.

AEGCL informed that transmission loss of 3.32% was recorded in FY 2021-22 and projected a loss of 3.30% through APR and ARR. AEGCL projected transmission charge of Rs.0.62 Rs./kWh , Transmission access charge of Rs 7625.04 /MW/day and SLDC charge of Rs. 97.68/MW/Day for FY 2023-24.

As suggested by the members in the last SAC meeting, AEGCL also made a presentation with a power map of Assam with existing and proposed GSS and lines.

Hon'ble Chairperson reiterated that another SAC meeting to discuss the tariff petitions of APDCL will be held in February and MD, APDCL and along with other officials from the Company would be present during that meeting.

The meeting ended with a vote of thanks from and to the Chair.

Sd/-

Secretary,

Assam Electricity Regulatory Commission.

29th Meeting of SAC - LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT

1. Kumar Sanjay Krishna, IAS (Retd), Chairperson, AERC
2. Smt. Bulbuli Borthakur, Member (Law), AERC
3. Shri Satyendra Nath Kalita, Member (Technical), AERC
4. Shri Gautam Talukdar, Secretary, Power (E) Department, Government of Assam
5. Shri Harsh Sutodia, Executive Member, AIMO
6. Shri Subodh Sharma, Consumer Activist
7. Shri Mrinmoy Baruah, Secretary. ABITA
8. Shri M.C Barthakur, Vice President AASSIA
9. Shri J N Baruah, Treasurer, AASSIA
10. Shri M P Bezbaruah, Professor, Guwahati University
11. Shri Kumud Medhi, Secretary, NESSIA
12. Shri Saurabh Agarwal, Chairman Power, FINER
13. Shri D.K. Sarma, Retd. Director, PGCIL
14. Shri Champak. Baruah, Ex-Member (T), APDCL & Member, CGRF (Ghy).
15. Prof. N. B Dev Choudhury, Professor, NIT, Silchar
16. Dr. Aditya Bihar Kandali, Department of Electrical Engineering, JEC
17. Shri U.K. Sharma, Senior Engineer's Forum
18. Dr Satyajit Bhuyan, Professor, AEC

SPECIAL INVITEES

1. Shri Sanjeeva Kumar, IAS (Retd.), Chairman, APGCL
2. Shri Rakesh Kumar, IAS, Managing Director, APDCL & APGCL
3. Shri D Das, Managing Director, AEGCL

OFFICERS FROM APDCL. AEGCL & APGCL

APDCL

1. Shri Anamul Haque Laskar, CGM (Com & EE), APDCL
2. Shri Sumit Kr. Singha, AGM, APDCL

3. Shri N. Deb, AGM (F&A), APDCL

AEGCL

1. Shri L. Bhuyan, CGM, AEGCL
2. Shri HimayshuBaishya, GM, AEGCL
3. Shri Suresh Kaimal, DGM, AEGCL
4. Shri F H Ajhmi, DGM, AEGCL
5. Shri Debasish Paul, AGM, AEGCL
6. Shri Mriganka Bhuyan, AGM, AEGCL
7. Shri Pranab Saha, AGM, AEGCL
8. Shri Bidyut Bikash Das, Consultant, AEGCL

APGCL

1. Mrs Aklantika Saikia, DGM, APGCL
2. Mrs Pinky Deb, AM (F&A), APGCL
3. Shri Manash Jyoti Konwar, JM, APGCL
4. Shri Sunny Kumar Singh, Deloitte India, Consultant

OFFICERS FROM AERC

1. Shri M.K. Deka, ACS (Retd), Secretary, AERC
2. Shri A.N. Devchoudhury, Director (Tariff), AERC
3. Ms. P. Sharma, Joint Director (Regulatory Affairs & Finance Planning),
AERC
4. Shri N.K. Deka, Deputy Director (Gen, PPA, P&P), AERC
5. Mrs R. Baruah, Deputy Director (Engg.), AERC
6. Mrs P. Rabha, Assistant Director (Tariff), AERC

ADVISER FROM AERC:

1. Shri S.K. Roy, ACS (Retd).