



**ASSAM ELECTRICITY REGULATORY COMMISSION  
(AERC)**

**TARIFF ORDER**

**February 15, 2021**

**True-Up for FY 2019-20, APR for FY 2020-21 and  
Revised ARR and Tariff for FY 2021-22 for AEGCL**

**and**

**True-Up for FY 2019-20, APR for FY 2020-21 and  
Revised ARR and Tariff for FY 2021-22 for SLDC**

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

**Petition No.s 26 & 27/2020**

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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	Centralised Processing Centre
CPI	Consumer Price Index
CSGS	Central Sector Generating Stations
CTU	Central Transmission Utility
CWIP	Capital Work-In-Progress
DA	Dearness Allowance
DISCOM	Distribution Company
FAR	Fixed Asset Register
FINER	Federation of Industry & Commerce of North Eastern Region
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
MCLR	Marginal Cost of funds-based Lending Rate
NTPC	National Thermal Power Corporation Limited
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
R&M	Repairs and Maintenance
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
TVS	Technical Validation Session
WPI	Wholesale Price Index

# **ASSAM ELECTRICITY REGULATORY COMMISSION**

**Guwahati**

Present

**Shri K S Krishna, Chairperson**

**Smt B Borthakur, Member**

**Shri S N Kalita, Member**

**Petition No. 26 & 27/2020**

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

## **ORDER**

**(Passed on February 15, 2021)**

- (1) Assam Electricity Grid Corporation Ltd. (AEGCL) filed Petitions for approval of Truing up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21, revised Aggregate Revenue Requirement (ARR) for FY 2021-22 and determination of Tariff for FY 2021-22 for AEGCL, and Truing up for FY 2019-20, APR for FY 2020-21, revised ARR for FY 2021-22 and determination of Tariff for FY 2021-22 for State Load Despatch Centre (SLDC) as per MYT Regulations, 2018 on November 27, 2020. The same was registered as Petition No.s 26 & 27/2020.
- (2) The Commission observed that there were few inconsistencies in the Petitions. The Commission raised queries in order to clarify the discrepancies, inconsistencies, and data gaps. The Commission sought additional data and clarifications on the Petitions vide letter dated December 10, 2020.
- (3) The Commission held an Admissibility Hearing on December 14, 2020 and admitted the Petitions (Petition No.26/2020 and Petition No.27/2020) vide Order dated December 14, 2020 with direction to furnish the additional data and clarifications, as

sought vide letter dated December 10, 2020.by January 05, 2021.

- (4) On admission of the Petitions (Petition No.s 26 & 27/2020), in accordance with Section 64 of the Electricity Act 2003, the Commission directed AEGCL to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.
- (5) Accordingly, a Public Notice was issued by the AEGCL inviting objections/suggestions from respondents to be submitted on or before January 11, 2021. The notice was published in five (5) leading newspapers and short notice was published in two (2) leading newspapers of the State, as shown in the Table below:

<b>Date</b>	<b>Name of Newspaper</b>	<b>Content Published</b>
17.12.2020	The Assam Tribune	Public Notice in English
	Amar Asom	Public Notice in Assamese
	Dainik Assam	Public Notice in Assamese
	Dainik Jugasankha	Public Notice in Bengali
	Purbanchal Prahari	Public Notice in Hindi
	Bodosa (Bodo)	Short Notice in English
	Thekar (Karbi)	Short Notice in English

- (6) A copy of the Petition and other relevant documents were also directed to be 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.
- (7) The Commission decided to extend the last date of submission of objections/comments on Tariff Petitions up to January 19, 2021. The notice was published in one Leading Assamese and one leading English newspaper on January 07, 2021.
- (8) In response to the Commission's letter dated December 10, 2020, AEGCL submitted their replies to data gaps on January 05, 2021.
- (9) A Technical Validation Session (TVS) was also held on January 20, 2021 at the conference room of the Commission.
- (10) The Petitions were also discussed in the 27<sup>th</sup> meeting of the State Advisory Committee (SAC) (constituted under Section 87 of the Electricity Act, 2003) held on December 19,

2020 at Bidyut Niyamak Bhawan, Six Mile, Guwahati.

- (11) 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 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 6, 2021 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.
- (12) The Commission, now in exercise of its powers and functions vested under Sections 61, 62, 86 and 181 of the Electricity Act, 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 2019-20, APR for FY 2020-21, revised ARR for FY 2021-22 and determination of Tariff for FY 2021-22 for AEGCL, and Truing up for FY 2019-20, APR for FY 2020-21, revised ARR for FY 2021-22 and determination of Tariff for FY 2021-22 for SLDC as detailed in Chapters attached to this Order.
- (13) The Commission directs AEGCL to publish a Public Notice intimating the revised Transmission Tariff and SLDC Charges before the implementation of this Order, in English and Vernacular newspapers and on the website of AEGCL.
- (14) The approved Transmission Tariff and SLDC Charges shall be effective from April 1, 2021 and shall continue until replaced by any subsequent Order of the Commission.
- (15) Accordingly, the Petition Nos. 26 & 27/2020 stand disposed of.

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>(S.N. Kalita)</b>	<b>(B. Borthakur)</b>	<b>(K.S. Krishna)</b>
<b>Member, AERC</b>	<b>Member, AERC</b>	<b>Chairperson, AERC</b>

# 1.INTRODUCTION

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## 1.1 Constitution of the Commission

- 1.1.1 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 Electricity Act, 2003.
- 1.1.2 The Commission is mandated to exercise its powers and functions vested under Sections 61, 62, 86 and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, to determine the ARR and Tariff of AEGCL.

## 1.2 Tariff related Functions of the Commission

- 1.2.1 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.
- 1.2.2 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) The electricity generation, transmission, distribution and supply are conducted on commercial principles;
  - c) Factors that 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 the cost of supply;
- e) 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**

- 1.3.1 AEGCL is the successor corporate entity of erstwhile ASEB formed pursuant to the notification of the Government of Assam, notified under sub-sections (1), (2), (5), (6) and (7) of Section 131 and Section 133 of the Electricity Act, 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 Board to successor entities.
- 1.3.2 AEGCL owns and operates the transmission system previously owned by Assam State Electricity Board (ASEB). AEGCL has started functioning as a separate entity from December 10, 2004.

### **1.4 Multi Year Tariff Regulations, 2018**

- 1.4.1 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 Truing up, Annual Performance Review (APR), revised Aggregate Revenue Requirement (ARR) and 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. These Regulations are applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees within the State of Assam.
- 1.4.2 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.*

*(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.”*

## 1.5 Procedural History

- 1.5.1 In accordance with Regulation 18 of the MYT Regulations, 2018, AEGCL and SLDC are required to file an application for true-up for previous year, i.e., FY 2019-20, APR of current year, i.e., 2020-21, and revised ARR and Tariff for ensuing year, i.e., FY 2021-22, by 30<sup>th</sup> November of each year of the Control Period. AEGCL filed the Petition for approval of Truing up for FY 2019-20, APR for FY 2020-21, revised ARR and Tariff for FY 2021-22 for AEGCL, and Truing up for FY 2019-20, APR for FY 2020-21, revised ARR and Tariff for FY 2021-22 for SLDC as per MYT Regulations, 2018, on November 27, 2020. The same were registered as Petition No.s 26 & 27/2020.
- 1.5.2 The Commission observed that there were few inconsistencies in the Petitions. The Commission raised queries in order to clarify the discrepancies, inconsistencies, and data gaps. The Commission sought additional data and clarifications on the Petitions vide letter dated December 10, 2020.
- 1.5.3 The Commission held an Admissibility Hearing on December 14, 2020 and admitted the Petitions (Petition No. 26 & 27/2020) vide Order dated December 14, 2020 with direction to furnish the additional data and clarifications, as sought vide letter dated December 14, 2020 by January 05, 2021.
- 1.5.4 On admission of the Petitions (Petition No. 26 & 27/2020), in accordance with Section 64 of the Electricity Act 2003, the Commission directed AEGCL to publish a summary of the ARR and Tariff filings in local dailies to facilitate due public participation.
- 1.5.5 Further, AEGCL was directed to publish advertisement in few other newspapers stating that the copy of the Petition is made available on their website. A copy of the Petition and other relevant documents were also directed to be 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.
- 1.5.6 Accordingly, a Public Notice was issued by the AEGCL inviting objections/suggestions from respondents to be submitted on or before January 11, 2021. The notice was published in five (5) leading newspapers and short notice was published in two (2) leading newspapers of the State, as shown in the Table below:

<b>Date</b>	<b>Name of Newspaper</b>	<b>Content Published</b>
17.12.2020	The Assam Tribune	Public Notice in English
	Amar Asom	Public Notice in Assamese
	Dainik Assam	Public Notice in Assamese
	Dainik Jugasankha	Public Notice in Bengali
	Purbanchal Prahari	Public Notice in Hindi
	Bodosa (Bodo)	Short Notice in English
	Thekar (Karbi)	Short Notice in English

1.5.7 The Commission decided to extend the last date of submission of objections/comments on Tariff petition filed by AEGCL up to January 19, 2021. The notice was published in one Leading Assamese and one leading English newspaper on January 07, 2021 as shown in the Table below:

<b>Date</b>	<b>Name of Newspaper</b>
07.01.2021	The Times of India
07.01.2021	Asomiya Pratidin

1.5.8 In response to the Commission's letter dated December 10, 2020, AEGCL submitted their replies to data gaps on January 05, 2021.

1.5.9 The Commission received suggestions/objections from three (3) stakeholders on the Petitions filed by AEGCL. AEGCL was asked to submit its responses to the submissions of the stakeholders. The stakeholders were notified about the place, date and time of Hearing, to enable them to take part in the Hearing. A Newspaper 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 06, 2021 as scheduled. All stakeholders/respondents who participated in the Hearing were given the opportunity to express their views on the Petitions.

1.5.10 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.

## **1.6 State Advisory Committee Meeting**

- 1.6.1 A meeting of the SAC was convened on December 19, 2020 and members were briefed on the Tariff 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

2.1.1 AEGCL submitted the Petition on November 27, 2020 seeking approval for APR for FY 2020-21 and ARR and Tariff for FY 2021-22 along with True up for FY 2019-20. 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 2019-20

2.2.1 AEGCL submitted the True-up for FY 2019-20 based on the audited accounts. The summary of ARR and Revenue Gap/(Surplus) claimed by AEGCL for FY 2019-20 is shown in the following Table:

**Table 1: True-up for FY 2019-20 as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dt. 01.03.19	AEGCL Submission in Petition	AEGCL Submission in reply to Data Gaps dated 22.01.2021
1	PGCIL Charges	-	37.54	37.54
2	O&M Expenses	189.90	191.62	191.62
a	<i>Employee Cost</i>	<i>162.96</i>	<i>163.48</i>	<i>163.48</i>
b	<i>R&amp;M Expenses</i>	<i>17.29</i>	<i>18.07</i>	<i>18.07</i>
c	<i>A&amp;G Expenses</i>	<i>9.35</i>	<i>9.68</i>	<i>9.68</i>
3	SLDC Charges	0.30	0.39	0.39
4	Impact of Revision of Pay	-	2.91	2.91
5	Depreciation	23.92	42.55	42.55
6	Interest & Finance Charges (Approved in Revised T.O. dated 25.06.19)	11.05	14.10	14.10
7	Interest on Working Capital	12.08	12.25	12.25
8	BST for Pension Trust Fund	141.60	135.49	135.49
9	Return on Equity	15.49	15.49	15.49
10	Income Tax	-	-	-

Sl. No.	Particulars	Approved in Order dt. 01.03.19	AEGCL Submission in Petition	AEGCL Submission in reply to Data Gaps dated 22.01.2021
11	Net Prior period Charges/(Credits)		3.53	3.53
12	Less: Non-Tariff Income/ Other Income	28.01	64.05	64.05
13	<b>Aggregate Revenue Requirement</b>	<b>366.03</b>	<b>391.43</b>	<b>391.43</b>
14	Incentive on Transmission Availability	-	1.45	1.45
15	Add: Sharing of (Gains)/Loss	-	(4.90)	(4.90)
16	<b>ARR after Sharing (Gains)/Losses and Incentive</b>	<b>366.03</b>	<b>387.98</b>	<b>387.98</b>
17	<b>Revenue with Approved Tariff for FY 2019-20</b>	<b>366.03</b>	<b>366.03</b>	<b>366.03</b>
18	<b>Less: Revenue from STOA/MTOA Charges</b>		<b>21.60</b>	<b>21.26</b>
19	<b>Revenue Gap/(Surplus) for FY 2019-20</b>	<b>-</b>	<b>0.35</b>	<b>0.69</b>

## 2.3 Annual Performance Review of FY 2020-21

2.3.1 AEGCL submitted the APR of FY 2020-21 based on the actual expenses incurred in the first half of FY 2020-21, as shown in the Table below:

**Table 2: Annual Performance Review for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 07.03.2020	FY 20-21 H1	FY 20-21 H2	AEGCL Estimation
1	PGCIL Charges	-	-	-	-
2	O&M Expenses	203.28	102.75	103.07	205.82
a	Employee Cost	172.07	86.98	86.98	173.95
b	R&M Expenses	20.94	10.79	10.79	21.58
c	A&G Expenses	9.97	4.98	4.98	9.97
3	Training Expenses	0.30	0.00	0.32	0.32
4	Depreciation	-	-	-	
5	Interest & Finance Charges	29.79	23.37	23.37	46.74

Sl. No.	Particulars	Approved in T.O. dt. 07.03.2020	FY 20-21 H1	FY 20-21 H2	AEGCL Estimation
6	Interest on Working Capital	16.40	9.32	9.17	18.49
7	BST for Pension Trust Fund	12.38	5.54	5.54	11.07
8	Return on Equity	145.72	71.00	71.00	141.99
9	Income Tax	15.49	7.74	7.74	15.49
10	Other debits		0.03	-	0.03
11	Net Prior period Charges/(Credits)		(0.70)	-	(0.70)
12	Less: Non-Tariff Income/ Other Income	45.26	30.74	31.92	62.66
<b>13</b>	<b>Aggregate Revenue Requirement</b>	<b>377.81</b>	<b>188.31</b>	<b>187.97</b>	<b>376.28</b>
14	Incentive on Transmission Availability	-	0.07	-	0.07
<b>15</b>	<b>Revenue with Approved Tariff for FY 2020-21</b>	<b>377.81</b>	<b>-</b>	<b>-</b>	<b>377.81</b>
<b>16</b>	<b>Less: Revenue from STOA/MTOA Charges</b>		<b>4.72</b>	<b>6.00</b>	<b>10.72</b>
<b>17</b>	<b>Revenue Gap /(Surplus) for FY 2020-21</b>	<b>-</b>			<b>(12.18)</b>

## 2.4 Revised ARR for FY 2021-22

2.4.1 AEGCL has presented the revised ARR for FY 2021-22 as detailed in the Table below:

**Table 3: Projected Revised ARR for FY 2021-22 as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 01.03.19	Revised ARR in Petition	Revised ARR in Reply to Data Gaps dated 10.12.2020
1	PGCIL Charges	-	-	-
2	O&M Expenses	209.42	219.95	219.95
a	Employee Cost	179.02	185.10	185.10
b	R&M Expenses	20.07	24.19	24.19
c	A&G Expenses	9.92	10.26	10.26
d	Training Expenses	0.40	0.40	0.40
3	Depreciation	28.41	63.13	63.13
4	Interest & Finance Charges	9.03	21.94	21.94
5	Interest on Working Capital	13.30	12.26	12.03
6	BST for Pension Trust Fund	158.16	158.15	144.72



Sl. No.	Particulars	Approved in T.O. dt. 01.03.19	Revised ARR in Petition	Revised ARR in Reply to Data Gaps dated 10.12.2020
7	Return on Equity	15.49	15.49	15.49
8	Income Tax	-	-	-
9	Less: Non-Tariff Income/ Other Income	30.88	63.14	63.14
10	<b>Aggregate Revenue Requirement</b>	<b>402.92</b>	<b>427.79</b>	<b>414.13</b>
11	Less: Revenue from STOA/MTOA Charges		10.00	10.00
12	ARR after deducting revenue from STOA/MTOA Charges		<b>417.79</b>	<b>404.13</b>

## 2.5 Transmission tariff for FY 2021-22

2.5.1 AEGCL has presented the Transmission Tariff for FY 2021-22 as shown in the Table below:

**Table 4: Transmission Tariff Proposed by AEGCL (Rs. Crore)**

Particulars	AEGCL Submission in Petition	AEGCL Submission in Reply to Data Gaps dated 10.12.2020
Stand-alone ARR	427.79	414.13
Previous Revenue Gap/(Surplus) with Carrying/(Holding) cost	0.43	0.83
<b>Net Annual Revenue Requirement</b>	<b>428.21</b>	<b>414.97</b>
<b>Transmission Charge (Rs. / kWh)</b>	<b>0.396</b>	<b>0.419</b>

2.5.2 AEGCL has submitted the true up for SLDC of FY 2019-20 as shown in the following Table:

**Table 5: True Up of SLDC for FY 2019-20 as submitted by AEGCL (Rs. Crore)**

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

Sl. No.	Particulars	Approved in T.O. dt. 01.03.19	AEGCL Estimation
1	O&M Expenses	4.36	4.32
a	Employee Cost	3.29	3.54
b	R&M Expenses	0.38	0.43
c	A&G Expenses	0.44	0.32
2	Training Expenses	0.25	0.03
3	Depreciation	0.07	0.06
4	Interest & Finance Charges	0.08	0.05
5	Interest on Working Capital	0.19	0.19
6	Return on Equity	-	-
7	Less: Non-Tariff Income/ Other Income	0.85	0.44
8	Aggregate Revenue Requirement	3.85	4.17
9	Add: Sharing of (Gains)/ Loss		0.48
10	Net Aggregate Revenue Requirement		4.65
11	Revenue with Approved Tariff for FY 2019-20		3.85
12	<b>Revenue Gap/(Surplus) for FY 2019-20</b>		<b>0.80</b>

2.5.3 AEGCL has also submitted the APR for SLDC of FY 2020-21 as shown in the following Table:

Table 6: APR of SLDC for FY 2020-21 as submitted by AEGCL (Rs. Crore)

Sl. No.	Particulars	Approved in T.O. dt. 07.03.2020	FY 20-21 H1	FY 20-21 H2	AEGCL Estimation
1	O&M Expenses	4.66	2.76	2.76	5.53
a	Employee Cost	3.72	2.38	2.38	4.76
b	R&M Expenses	0.61	0.22	0.22	0.43
c	A&G Expenses	0.33	0.16	0.16	0.33
2	Training Expenses	0.10	0.00	0.10	0.10
3	Depreciation	0.09	0.03	0.03	0.06
4	Interest & Finance Charges	0.06	0.03	0.03	0.07
5	Interest on Working Capital	0.21	0.11	0.11	0.23
6	Return on Equity	0.00	-	-	0.00
7	Less: Non-Tariff Income/ Other Income	0.44	0.18	0.25	0.35

Sl. No.	Particulars	Approved in T.O. dt. 07.03.2020	FY 20-21 H1	FY 20-21 H2	AEGCL Estimation
8	<b>Aggregate Revenue Requirement</b>	<b>4.68</b>	<b>2.76</b>	<b>2.78</b>	<b>5.55</b>
9	Revenue with Approved Tariff for FY 2020-21				4.68
10	<b>Revenue Gap /(Surplus) for FY 2020-21</b>				<b>0.87</b>

2.5.4 AEGCL has also presented the revised ARR for SLDC of FY 2021-22 as shown in the following Table:

**Table 7: ARR of State Load Despatch Centre (SLDC) for FY 2021-22 as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dtd 01.03.19	Revised ARR
1	O&M Expenses	6.51	6.84
a	<i>Employee Cost</i>	5.66	6.07
b	<i>R&amp;M Expenses</i>	0.39	0.43
c	<i>A&amp;G Expenses</i>	0.47	0.34
d	Training Expenses		0.10
2	Depreciation	0.22	0.09
3	Interest & Finance Charges	0.31	0.12
4	Interest on Working Capital	0.30	0.28
5	Return on Equity	0.00	0.00
6	Less: Non-Tariff Income/ Other Income	0.93	0.43
7	<b>Aggregate Revenue Requirement</b>	<b>6.41</b>	<b>7.01</b>

## 2.6 SLDC tariff for FY 2021-22

2.6.1 AEGCL has presented the SLDC Tariff for FY 2021-22 as shown in the Table below:

**Table 8: SLDC Tariff Proposed by AEGCL (Rs. Crore)**

Particulars	FY 2021-22
Provisional Revenue surplus for FY 2019-20	0.80
Carrying cost on Revenue Surplus for FY 2019-20	0.16
<b>Total Gap / (Surplus) (Rs. Cr)</b>	<b>0.97</b>
Standalone Annual Revenue Requirement (Rs. Cr)	7.01
Previous Revenue Gap / (Surplus) with carrying cost (Rs. Cr)	0.97

AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22

<b>Particulars</b>	<b>FY 2021-22</b>
<b>Net Annual Revenue Requirement (Rs. Cr)</b>	<b>7.97</b>
Peak Demand (MW)	2,186
<b>SLDC Charge (Rs./MW/Day)</b>	<b>99.92</b>

## 2.7 Prayers of AEGCL

2.7.1 AEGCL, in its Petition, has prayed as under:

“

- *Accept the Annual Revenue Requirement and Tariff proposal for Transmission Business respectively in accordance with the guidelines outlined in previous AERC Orders passed in various matters relating to AEGCL; and the principles contained in AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations 2018;*
- *To admit the Tariff Petition as per the provisions of the AERC (MYT) Regulations 2018 and consider present Petitions for further proceedings before Hon'ble Commission;*
- *To approve the total recovery of Aggregate Revenue Requirement and revenue gap for FY 2020-21 and FY 2021-22 along with other claims as proposed by AEGCL;*
- *To grant any other relief as the Hon'ble Commission may consider appropriate;*
- *To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;*
- *To condone any error/omission and to give opportunity to rectify the same;*
- *To permit AEGCL to make further submissions, addition and alteration to this Petition as may be necessary from time to time;”*

### 3 Brief Summary of Stakeholders' Comments, Response of the AEGCL and Commission's View

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3.1.1 The Commission received suggestions/objections from three (3) stakeholders on the Petitions filed by AEGCL, from the following Respondents:

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

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

3.1.3 The Commission considered the objections / suggestions received and notified the Respondents 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 Public Hearing at Bidyut Niyamak Bhawan, Six Mile, Guwahati on February 6, 2021.

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

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

3.1.7 The figures quoted in the submissions by the respondents/Petitioner are as mentioned by them in their respective submissions. 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**

### **Stakeholders' Comments**

ABITA reviewed the calculations for O&M actual expenses for FY 2019-20 as per the audited accounts and the Tariff Regulations, 2018. ABITA submitted revised O&M of Rs 179.48 Cr against AEGCL's proposed O&M expenses of Rs. 191.62 Cr.

CAC submitted that normative expenses do not reflect actual expenses of the utility and it does not tally with figures of balance sheet. CAC requested the Commission for revision of AERC MYT Regulations, 2018.

FINER submitted that the petitioner did not provide breakup of additional expenditure of Rs. 1 Cr. against increase in number of employees of SLDC. Further, the Petitioner has also not provided any documentary evidences of AMC expenses of SCADA/EMS for FY 2019-20. FINER, therefore, requested that the claimed additional expenditure and AMC expenses may only be allowed subject to the prudence check by the Commission.

FINER submitted that the Petitioner has claimed Training Expenses to the tune of Rs. 0.39 Crore for FY 2019-20. FINER stated that as training expenses is a part of O&M expenses, there is no provision in Tariff Regulations, 2018 for claiming such expenses separately. FINER therefore, requested the Commission to disallow the claim and ask the Petitioner to abide by the provisions of the Tariff Regulations.

### **Response of AEGCL**

AEGCL submitted that the O&M expense for FY 2019-20 is based on methodology specified by the MYT Regulations, 2018.

AEGCL submitted the detailed break-up of Employee cost as sought by FINER. AEGCL further submitted that the actual AMC cost of SCADA/EMS has been considered under SLDC R&M and separated from AEGCL's R&M account from FY 2019-20 onwards.

AEGCL submitted that in the MYT Order dated. March 01, 2019, the Commission has approved the training and capacity building expenses for MYT period and directed AEGCL to submit the Training & Capacity Building Expenses separately at the time of Truing up.

### **Commission's View**

O&M expenses have been approved in accordance with the MYT Regulations, 2018 and these are explained in detail in the subsequent Chapters.

## **Issue 2: Capital Expenditure and Capitalisation**

### **Stakeholders' Comments**

FINER submitted that the Petitioner claimed Rs. 420.48 Cr towards Capitalization for the True-up of FY 2019-20. However, it is unclear as to how the said amount is utilized for Capitalization and how many assets were commissioned during the FY 2019-20. Therefore, FINER requested the Commission to direct the Petitioner to furnish Capitalization Report and Energization Report for the FY 2019-20. FINER also observed that although huge Capital Expenditure has been carried out by AEGCL (which has impacted State consumers heavily in terms of higher tariff), the intra- state transmission losses are still high at 3.40%.

FINER further submitted that as per Regulation 63 of the Tariff Regulations, 2018; the Transmission Licensees needs to take separate prior approval of the Commission for all Capital Expenditure schemes of value exceeding Rs. 10 Cr. However, the Petitioner has not provided the details of projects for which they have been accorded prior approval from the Commission.

It was further submitted from FINER that the Petitioner has not provided Fixed Asset Register for determining the original cost of Capital Expenditure of projects/ or original cost of the fixed assets capitalized.

In view of the above, FINER requested the Commission to do a prudence check and disallow the Capital Investment of the Petitioner on account of failure in taking scheme wise prior approval from the Commission. Also, FINER requested the Commission to direct the Petitioner to submit the Fixed Asset Register and make the same available in the public domain for review by the Public.

CAC submitted that scheme wise capitalization for FY 2019-20 along with identity of financiers have been mentioned, however, the progress of projects have not been provided in detail.

ABITA requested the Commission to conduct prudency check and disallow any overstated capital expenditure and Capitalization proposed by AEGCL for the FY 2020-21 and FY 2021-22.

### **Response of AEGCL**

AEGCL submitted that the detail scheme wise capital expenditure and capitalisation for FY 2019-20, FY 2020-21 an FY 2021-22 has already been submitted in the Tariff Petition. AEGCL further submitted that the funding of total Capitalisation amounting to Rs. 420.48 Crore is through debt and grant.

## **Commission's View**

The Commission has allowed Capital expenditure and Capitalisation for FY 2019-20, FY 2020-21 and FY 2021-22 as per relevant provisions of the MYT Regulations, 2018 as elaborated in Chapters 4, 5 and 6 of this Order.

## **Issue 3: Depreciation**

### **Stakeholders' Comments**

FINER submitted that the Petitioner has claimed Rs. 42.55 Crore, Rs. 46.74 Crore, and Rs. 63.13 Crore as Depreciation amounts for true-up for FY 2019-20, APR for FY 2020-21 and ARR for FY 2021-22 respectively. For the calculation of the same, the Petitioner has considered Rs. 1373.71 Crore, Rs.1184.00 Crore and Rs 1,459.13 Crore as Grant towards GFA respectively. The basis on which the said figures have been taken is nowhere substantiated in the Petition. FINER requested the Commission that AEGCL be directed to submit complete information on the above and clearly state if any of transmission work is done against "Deposit Works", i.e., on payment by the beneficiary, who may be generator or an Open Access customer.

ABITA observed that AEGCL has proposed very high capital expenditure as well as capitalization for the years under MYT resulting in large amount of addition in GFA, which seems to have been done for claiming higher ARR parameters which are linked to addition of GFA i.e., depreciation and interest on loans. ABITA requested the Commission to analyse the details of various schemes and approve capex and capitalization judiciously.

### **Response of AEGCL**

AEGCL submitted that the Commission approved Rs. 23.92 Crore as Depreciation for the FY 2019-20, whereas the Depreciation claimed by AEGCL in the True Up Petition is higher at Rs. 42.55 Crore primarily due to higher actual capitalization.

AEGCL further submitted that as per Audited Annual Accounts, Capitalization and GFA for FY 2019-20 are Rs. 420.58 Crore (including SLDC) and Rs. 2393.50 Crore against approved Capitalization and GFA of Rs. 140.00 crore and Rs. 1957.49 crore respectively.

Replying to ABITA, AEGCL submitted that as per the Audited Annual Accounts for FY 2019-20, the Opening Gross Block of Fixed Assets excluding land and the opening depreciation for FY 2019-20 is Rs.1934.96 crore and Rs. 1148.39 crore respectively. The amount of depreciation including assets funded through grant for



FY 2019-20 is Rs. 109.65 crore. Depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the capitalization during the year. However, after excluding assets funded through grant, depreciation arrived at Rs. 42.55 crore.

### **Commission's View**

The Commission has allowed depreciation after necessary prudence check and in accordance with the MYT Regulations. The details are available in relevant Chapters of the Order.

## **Issue 4: Interest and Finance Charges**

### **Stakeholders' Comments**

ABITA submitted that AEGCL has proposed interest and finance charges of Rs. 14.10 Cr. for true up of 2019- 20 against Rs. 11.05 Cr. approved in the March 2019 Order. ABITA reworked the interest & finance cost to Rs. 8.55 Cr. adopting the principles for determining normative opening loan in accordance with the previous tariff orders and Regulation 34 of the Tariff Regulations, 2018.

FINER submitted that the Petitioner has claimed Interest & Finance Charges of Rs. 14.10 crore at an Interest rate of 9.91%. However, as per the Tariff Regulations, 2018, Weighted Average Rate of Interest is to be calculated on actual Long term loan portfolio. FINER also submitted that the Petitioner has incurred a penal interest of Rs 17.16 Crore which cannot be considered for interest rate computation. FINER requested the Commission to do strict prudence check in terms of computation of allowable interest rate and should exclude penal interest.

CAC submitted that the figures related to Interest and Finance Charges are on normative basis and have little semblance with the balance sheet. Therefore, CAC observed that there is very little scope to comment on whether these are justified or not, because these are admissible by AERC Regulations.

### **Response of AEGCL**

AEGCL submitted that the detail computation of Interest and Finance Charge for FY 2019-20 is shown in Section 3.12 of its Tariff Petition for True Up of FY 2019-20.

AEGCL submitted that the detailed computation of weighted average rate of interest for FY 2019-20 has already been provided in Table 28 of the Tariff Petition for True Up of FY 2019-20. AEGCL further submitted that the resultant Interest and finance charge computed as per the weighted average interest rate of loans for FY 2019-20, on the basis of actual loan portfolio, in accordance with Regulation 34.5 of AERC MYT Regulations, 2018 is 9.91%. AEGCL clarified that the penal interest charges have been excluded while computing the actual weighted average interest rate.

AEGCL submitted that the Interest on finance charges has been computed based on the MYT Regulation 2018.

### **Commission's View**

The Commission has allowed the interest expenses in accordance with the MYT Regulations after prudence check as discussed in the relevant Chapters of this Order.

### **Issue 5: Interest on Working Capital**

#### **Stakeholders' Comments**

FINER submitted that in the SLDC true-up Petition for FY 2019-20, the Petitioner has considered the annual revenue requirement for calculating the receivables for two months. However, the Commission in its previous tried up Order for FY 2018-19 dated 07th March, 2020 have considered the actual revenue billed as receivables for calculating the interest on working capital.

In addition, FINER submitted that the Petitioner has claimed the rate of interest at 300 basis points over 8.14% (i.e. average rate for the period of FY 2019-20) for calculating the interest on working capital. However, the Commission in its AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2018 stated that the rate of interest should be equal to the average SBI MCLR (1 Year Tenor) prevalent during the last available six months for the determination of Tariff. Therefore, FINER revised the calculations for interest on working capital by altering the rate of interest at 300 basis points over 7%,

#### **Response of AEGCL**

AEGCL on behalf of SLDC submitted that the rate of interest has claimed the at 300 basis points over average SBI MCLR (1 Year Tenor) at 8.14% (i.e. average rate for the period of FY 2019-20) for calculating the interest on working capital for FY 2019-

20. It is pertinent to mention that SBI MCLR rate for last 6 months (June 2020 to Nov 2020) has been considered for computation of Interest on Working Capital for FY 2020-21. Therefore, in view of the above, interest of Working Capital is arrived at Rs. 0.19 Crores for FY 2019-20.

### **Commission's View**

The Commission has approved IoWC after necessary prudence check and in accordance with the MYT Regulations, 2018.

### **Issue 6: BST for Pension Trust Fund**

#### **Stakeholders' Comments**

ABITA submitted that AEGCL has claimed Rs. 135.49 Cr. towards Special Charges on Bulk Supply Tariff for FY 2019-20. ABITA requested the Commission to do the prudence check and only allow BST as applicable for the energy injected into APDCL.

CAC submitted that BST has declined by Rs. 6.11 Crore due to AEGCL's failure to deal with quantum of energy approved by the Commission for FY 2019-20, which will have an impact on the pensioners' fund.

#### **Response of AEGCL**

AEGCL submitted that the special charges of BST for FY 2019-20 have been computed at 15 paise per unit on the energy sent out to APDCL as approved by the Commission vide Tariff Order dated 1st March 2019.

AEGCL further submitted that the total energy sent out to APDCL is 9032.70 MU for FY 2019-20. Therefore, considering 15 paise per unit, BST arrived at Rs. 135.49 Crores for FY 2019-20. AEGCL submitted that the total energy sent out to APDCL is estimated as 9466.28 MU for FY 2020-21 and 10,543 MU projected for FY 2021-22. Therefore, considering 15 paise per unit, BST arrived at Rs. 141.99 Crores and Rs. 158.15 Crores in FY 2020-21 and FY 2021-22 respectively.

#### **Commission's views**

Noted.

## **Issue 7: Transmission Loss**

### **Stakeholders' Comments:**

ABITA & FINER submitted that the Petitioner has claimed transmission losses at 3.38% for FY 2020-21 and 3.35% for FY 2021-22 against approved losses of 3.34% and 3.29% respectively. FINER observed 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. ABITA submitted that an increase in Transmission loss levels will result in increase of power purchase quantum and cost of APDCL, thereby increasing the burden on consumers. ABITA further submitted that the Commission has been approving system strengthening capital expenditure schemes as proposed by AEGCL, one of the benefits of which is loss reduction. Hence, requested the Commission to allow the Transmission losses as per the target set by in its previous Tariff Orders.

### **Response of AEGCL**

AEGCL submitted that it has achieved a significant reduction in Transmission losses, during recent years. These efforts shall continue and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as losses approach the technical threshold. The estimated transmission loss for FY 2020-21 are based on actual half yearly results and projected for next 6 months. AEGCL further submitted that due to the Covid-19 pandemic, progress of work for Commissioning of transmission line and substation (Barpeta project, Hatsingmari project, Salakati – APM transmission line project, NERPSIP projects) has been delayed considerably. This has compelled AEGCL to fix its transmission losses at 3.38 % and 3.35% against targets of 3.34% and 3.29% for FY 2020-21 and FY 2021-22 respectively.

### **Commission's views**

The Commission noted the submissions made. AEGCL is directed to take steps to carry out Energy Audit during FY 2021-22 and submit the report with details of Transmission Losses.

## **Issue 8: Income Tax**

### **Stakeholders' Comments**

FINER submitted that as per the audit statements, AEGCL has incurred a Penal

Interest of Rs. 14.16 Crore. AEGCL has also delayed in payment of income tax and GST. Further, there is an outstanding demand for income tax amounting to Rs. 14.07 Crore for FY 2009-10. FINER requested the Commission to ensure that any penal liability arising from the same may not be passed on to the consumers.

FINER further requested the Commission to look into the matter of AEGCL's liability towards APDCL of Rs. 168.97 Crore which has been noted by the Auditor. However, AEGCL has not provided any explanation regarding this balance.

### **Response of AEGCL**

AEGCL submitted that that no penal liability has been claimed in the Tariff petition.

AEGCL further submitted that no transactions occurred under the head during FY 2019-20. This balance includes various old outstanding, which is being reconciled.

### **Commission's view**

The Commission has allowed Income tax in True-up in accordance with the MYT Regulations, 2018, and has not allowed any interest or penalty on delayed payment of Income Tax.

## **Issue 9: Transmission Incentives**

### **Stakeholders' Comments**

FINER submitted that the petitioner claimed Transmission Incentives of Rs. 1.45 Crore in FY 2019-20, and Rs. 0.07 Crore in FY 2020-21. Considering the high investment into strengthening the intra-state transmission grid, which has eventually resulted into recovery of all expenses to AEGCL, there should not be any incentive to be paid to Petitioner in the consumer interest.

ABITA requested the Commission to disallow the recovery of incentives in absence of any penalty mechanism for under - achievement in transmission loss for FY 2019-20.

### **Response of AEGCL**

AEGCL submitted that the regulation 65 of MYT Regulations 2018 provide incentive for transmission utility upon availability of transmission lines above normal availability (98.50%). Accordingly, Petitioner has calculated monthly incentives and claimed the

same for FY 2019-20.

### **Commission's view**

The Commission has allowed incentive in True-up in accordance with the MYT Regulations, 2018. The detailed ruling of the Commission is elaborated in Chapter 4.

### **Issue 10: PGCIL Charges**

#### **Stakeholders' Comments**

FINER submitted that the PGCIL charges of Rs 37.54 Crore claimed by the Petitioner in FY 2019-20 pertains to the period of FY 2018-19.

FINER stated that as per the directive of the Commission in Tariff Order dated 01st March 2019, the transmission charges henceforth be paid by APDCL. Accordingly, the Petitioner has excluded the PGCIL charges with effect from FY 2019-20. However, while reconciling the bills of PGCIL as submitted by the Petitioner, it was found that charges of Rs. 1.29 Crore pertains to June, 2019, August-2019 & September, 2019 of the period of FY 2019-20.

Therefore, FINER requested that the Commission may allow PGCIL charges to the tune of Rs. 35.87 Crore instead of claimed Rs.37.54.

#### **Response of AEGCL**

AEGCL submitted that PGCIL charges will be paid by APDCL from the FY 2019-20 onwards. But these PGCIL bills are related to the electric energy wheeled by PGCIL during FY 2018-19. As these PGCIL bills were received by AEGCL during FY 2019-20 and accordingly paid by AEGCL and booked in the audited Annual Accounts of AEGCL for FY 2019-20, the claim has been made.

AEGCL further submitted that Rs.1.29Crore (Rs. 0.51 crore for Jun-19, Rs. 0.72 crore for Aug-19 and Rs. 0.06 crore for Sep-19) stated by FINER are not PGCIL charges but Credit bills received from PGCIL for earlier periods and these have already been booked under Income from Open Access consumers (Rs. 21.60 Crore), in the Audited Annual Accounts of AEGCL for the FY 2019-20 and also deducted from ARR in the True-Up petition. But Rs. 37.54 Crore is the Gross PGCIL charges as per the bills received from PGCIL during FY 2019-20 and paid by AEGCL as shown in the Audited Annual Accounts and accordingly claim has been made in the True-Up petition for FY 2019-20.

In view of the above, AEGCL requested the Commission to approve Rs. 37.54 Crore

as PGCIL charges without any disallowance.

### **Commission's view**

The Commission has approved PGCIL charges for FY 2019-20 as per actual payment made by the Petitioner.

## **Issue 11: Fixed Asset Register & Inventories**

### **Stakeholders' Comments**

FINER submitted that in contravention of Commission's direction to prepare and maintain Fixed Asset Register (FAR), duly approved by Chartered Accountants, AEGCL is yet to update the FAR.

FINER also submitted that physical verification of inventories showed discrepancies of Rs 5.01 Crore which have not been dealt with in the book of accounts.

### **Response of AEGCL**

AEGCL submitted that the Fixed Assets Register has been updated till 31.03.2020 and the same has been audited by the Statutory Auditor for the FY 2019-20.

### **Commission's view**

Stakeholders may be allowed to inspect the Fixed Asset Registers at the Office of the Licensee upon request.

## **Issue 12: Important Issues in True up petition**

### **Stakeholders' Comments**

CAC sought clarifications from AEGCL on the following issues:

- a) Transmission line length of AEGCL showed 632 kms of 32 kV line. The physical existence of this asset class which is beyond mandate of STU.
- b) The VAR sharing of various power stations connected with AEGCL is determined by SLDC in coordination with NERLDC and the respective power station. AEGCL is supposed to maintain its voltage level at various supply points and if at all AEGCL is deprived of its VAR share as per the requirement of the system in 2019-20, this matter should have been taken up with the appropriate authority to seek redressal on the basis of its day-to-day monitoring.

It is not clear as to whether AEGCL adhered to any such procedure before bringing this matter in the instant petition.

- c) It appears that AEGCL has failed to deliver power at mandated voltage of 33kV at various points of APDCL resulting in distribution losses for APDCL. To cite an instance 132kV grid s/s at Nolkata and Hatimura has been constantly failing to supply power at 33kV to APDCL. In Cachar District also there are such instances.
- d) AEGCL is in possession of sophisticated power flow study package which could be well utilized to find out the inadequacy of its system. The results derived out of it could be an effective tool to chalk out a material plan to strengthen its own system and to reduce its transmission losses.
- e) AEGCL is supposed to deliver power to APDCL as per some contract agreement where the total MVA requirement and power factor are specifically mentioned.
- f) The crucial 220kv Salakathi- Rangia line was supposed to evacuate power from BTPS NTPC to APDCL. However, as admitted in the petition power evacuation through this line as anticipated could not be done. Consequently, PGCIL's network has been used to transport the quantum of power to APDCL at a higher cost for the consumer. In this context, utilization of the load flow study software package in predetermining such unforeseen eventuality comes into focus. Such eventuality could have been avoided had AEGCL resorted to a proper study on this matter. Therefore, a study although late, needs to be carried out by AEGCL to remove the above-mentioned bottleneck by AEGCL engineers themselves rather than by appointing other agencies at the cost of public money.

#### **Response of AEGCL**

- a) AEGCL admitted that the transmission line length of 32 kV is typographical error. AEGCL submitted that the transmission line length of 613 ckt km is of 66 kV voltage level instead of 32 kV.
- b) AEGCL submitted that as per the Indian Electricity Grid Code, VAR sharing among different central sector generators in grid is completely controlled by



RLDC on real time basis. SLDC does not have any control over it. However, as and when need arises, SLDC does request RLDC to supply or absorb reactive power from CSGS stations as per the demand of the real time scenario. The share of state generation as compared to CSGS generation is very meagre. Consequently, the units of APGCL cannot contribute much to mitigate a high voltage or low voltage situation at any node of the grid.

- c) AEGCL submitted that as per the IEGC and state grid code, AEGCL is required to maintain the 132kv bus voltage at its grid sub-stations in the band of 122kv to 145kv. This band is obviously subjected to the condition that full reactive compensation is provided by the drawing utility or utilities at the receiving ends. Not providing the compensation at the receiving ends results in further fall in 1132kv bus voltages. With increase in inductive loads at the consumer end especially by the bulk load drawing entities, the requirement of supplying additional quantum of reactive power from the grid sub-stations become more and more. Longer route of 33kv and 11kv circuits also results in high reactance and consequent low voltage at distribution end. In respect of the 33kv feeders emanating from Nalkata and Dhemaji grid sub-stations, and in respect of Barak Valley area, this could be one of the reasons. However, the situation will obviously improve with the operationalization of Silapathar and Karimganj grid sub-stations in Dhemaji and Karimganj districts respectively.
- d) AEGCL submitted that it carried out the load flow studies for existing transmission network so as to determine the measure for enhancing the capability its lines and transformers. The simulation has also indicated the transmission losses. The inference drawn from such studies as here under:
- i. Transmission of load at higher voltage level is necessary for reducing the transmission loss.
  - ii. Establishment of new GSS for reducing the length of the 33 kV ckt.
  - iii. Low voltage nodes need to be compensated with capacitor banks at distribution end.
- e) AEGCL submitted that with regard to the contracted commitment of APDCL for delivering the required MVA with the stipulated power factor to consumer, AEGCL's role is only to maintain the grid sub-station's bus voltage as per the provisions of grid code. Not providing the needed capacitive compensation at the receiving end results in low voltage at distribution sub-station which in turn is reflected at grid nodes.

- f) AEGCL submitted that the commissioning of 220kv Rangia –Salakati lines has eased the power position in north bank sub-stations of Lower Assam. For system security and stability, the network involving Rangia, Barnagar, Nalbari, Sishugram and Sipajhar grid sub-stations is often reconfigured as per the real time requirement. As of now, radial connectivity is maintained from 132kv Rangia sub-station to different sub-stations as per the real time need. Sometimes, bus segregation at some sub-stations is also carried out to facilitate feeding of 132/33kv transformers from two different sub-stations. Inter-connected closed loop connectivity of all sub-stations will be possible only when the capacity augmentation of the transmission corridors is realized. Towards this target, AEGCL is in the process of implementing a plan for enhancing the ampacity of a number of existing transmission lines. It is to be mentioned that even in the event of closed loop connectivity for the entire network, loading of 220kv Salakati – Rangia D/C line, or for that matter any other circuits of AEGCL, load flow in a circuit depends on a number of parameters – viz. the active and reactive demand of the sub-stations, angular shift between the interconnected nodes, availability of generator near the load centre, etc. Simulation through load-flow studies conducted by AEGCL has indicated different load figures at 220kv Rangia-Salakati transmission corridor for different scenarios at different time frames. Human intervention on the part of AEGCL cannot bring about optimal load flow at these circuits unless the network is intentionally reconfigured in radial mode to maximize the loading of these circuits. Such a step shall be not only detrimental to the system security but such a step will also be disallowed by the SLDC/RLDC.

**Commission's view**

Noted.

## 4 Truing up for FY 2019-20

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### 4.1 Methodology for Truing Up

- 4.1.1 The Commission had approved the ARR and Tariff for FY 2019-20 in the Tariff Order dated March 1, 2019.
- 4.1.2 AEGCL submitted the Truing-up Petition for FY 2019-20 based on audited Annual Accounts and provisions of MYT Regulations, 2018, wherever applicable. AEGCL has sought true-up for FY 2019-20 with the Revenue Gap/(Surplus) to be recovered/(adjusted) during FY 2021-22.
- 4.1.3 The Commission approves the relevant 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.
- 4.1.4 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.
- 4.1.5 The Commission analyses the actual expenditure for the previous year 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.
- 4.1.6 In the present Chapter, the Commission has carried out the Truing up for FY 2019-20 based on the submissions of AEGCL, audited annual accounts for FY 2019-20 and provisions of 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

- 4.2.1 AEGCL submitted the Transmission Loss of 3.40% for FY 2019-20 for the purpose of Truing up, as shown in the following Table:

**Table 9: Transmission Loss for FY 2019-20 as submitted by AEGCL**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Approved in MYT Order dt. 01.03.2019</b>	<b>AEGCL Submission</b>
1	Energy Injected (MU)		9617.77
2	Energy Sent Out to APDCL (MU)		9032.70
3	Energy Sent Out to OA Consumers (MU)		257.61
4	Total Energy Sent Out		9290.31
4	Transmission Loss (MU)		327.46
5	Transmission Loss (%)	3.39%	3.40%

### **Commission's Analysis**

4.2.2 The Commission has verified the Transmission loss through documentary evidences submitted by AEGCL. The Commission also sought SLDC verification for the Transmission Losses for FY 2019-20. It is noted that the actual Transmission loss for FY 2019-20 is higher than the Transmission Losses approved by the Commission in the MYT Order dated March 1, 2019.

4.2.3 For the true-up, the Commission has considered the actual Transmission Loss of 3.46% for FY 2019-20. 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 PGCIL Charges**

4.3.1 AEGCL has claimed actual PGCIL Charges of Rs. 37.54 Crore for FY 2019-20, against PGCIL Charges of Rs. NIL approved in the MYT Order dated March 1, 2019.

#### **Commission's Analysis**

4.3.2 The Commission has scrutinised PGCIL Charges claimed by AEGCL vis-à-vis monthly bills of PGCIL. The Commission notes that PGCIL Charges claimed are gross billed amount for the month of April and May 2019. However, rebate received, and credit given to Open Access consumers has been shown separately under Non-Tariff Income. The PGCIL Charges are to be paid in accordance with the Orders issued by

*AEGCL and SLDC Order for True-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

the CERC. The actual expenditure incurred by AEGCL towards PGCIL charges as per the Audited Accounts is Rs. 37.54 Crore for FY 2019-20.

**4.3.3 Therefore, the Commission approves PGCIL Charges of Rs. 37.54 Crore for FY 2019-20 after truing up.**

#### **4.4 O&M Expenses**

4.4.1 AEGCL submitted the O&M expenses for FY 2019-20 comprising 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:

##### **4.4.2 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. 163.48 Crore towards employee expenses for FY 2019-20, as against employee expenses of Rs. 162.96 crore approved in the MYT Order dated March 1, 2019.

##### **4.4.3 Repairs and Maintenance (R&M) Expenses**

AEGCL submitted that R&M Expenses are incurred for the day-to-day upkeep of the transmission network and form an integral part of the Licensee's efforts towards providing reliable and quality power transmission as also in reduction of losses in the system.

AEGCL has claimed R&M expenses of Rs. 18.07 Crore for FY 2019-20, as against R&M expenses of Rs. 17.29 Crore approved in the MYT Order dated March 1, 2019.

##### **4.4.4 Administrative and General (A&G) expenses**

AEGCL submitted that A&G expenses comprise rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, other debits. AEGCL has claimed A&G expenses of Rs. 9.68 Crore for FY 2019-20, as against A&G expenses of Rs. 9.35 Crore approved in the MYT Order dated March 1, 2019.

### Expenses towards Training and Capacity Building

- 4.4.5 AEGCL submitted that rigorous training is carried out at regular intervals at different levels, which is effective and necessary for the employees. Technical programs such as “Metering India 2019”, “Technical Training by IEEMA”, “Hands on training on Power Transformer”, Various type of Induction Training, Productivity Training, etc., is conducted by NTPI, IEEMA and others.
- 4.4.6 AEGCL has submitted that it incurred a cost of Rs. 0.39 Crore on the Training Workshops and requested the Commission to allow the Training and Capacity Building expenses.
- 4.4.7 The O&M Expenses for FY 2019-20 were allowed on normative basis in the MYT Order in accordance with Regulation 66.6 of the MYT Regulations, 2018. AEGCL has claimed the normative O&M expenses as per the formula specified in the MYT Regulations, 2018, as shown in the Table below:

**Table 10: Normative O&M Expenses for FY 2019-20 as submitted by AEGCL**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.2019	AEGCL Submission
	<b>O&amp;M Expenses</b>	<b>189.90</b>	<b>191.62</b>
a	Employee Cost	162.96	163.48
b	R&M Expenses	17.29	18.07
c	A&G Expenses	9.35	9.68
d	Training Expenses	0.30	0.39

### Commission’s Analysis

- 4.4.8 For the purpose of truing up for FY 2019-20, 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

- 4.4.9 For computation of normative employee expenses for FY 2019-20, the Commission has adopted the following approach:

- a) The employee expenses approved after True-up for FY 2018-19 in the Tariff Order

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

- dated March 7, 2020 have been considered as base expenses;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2016-17 to FY 2018-19, which works out to 4.22%;
  - c) The growth factor of 1.00% has been considered as per the MYT Order, in view of the increase in transmission network.

4.4.10 The normative employee expenses approved in the true-up for FY 2019-20 are shown in the following Table:

**Table 11: Approved Employee Expenses for FY 2019-20 (Rs. Crore)**

Particulars	Approved in MYT Order dt. 01.03.2019	AEGCL Submission	Approved by the Commission
Base Employee Cost (n-1)	155.48	155.31	155.31
CPI Inflation	3.77%	4.22%	4.22%
Gn (Growth Factor for n <sup>th</sup> Year)	1.00%	1.00%	1.00%
<b>Normative Employee Cost for FY 2019-20 (Excl. ROP)</b>	<b>162.96</b>	<b>163.48</b>	<b>163.48</b>
Revision of Pay arrears	-	2.91	2.91
<b>Normative Employee Expenses for Transmission including ROP Arrears</b>	<b>162.96</b>	<b>166.38</b>	<b>166.38</b>

### R&M Expenses

4.4.11 For computation of R&M Expenses for FY 2019-20, the Commission has considered the following approach:

- a) WPI inflation has been computed as average increase of WPI index for the period from FY 2016-17 to FY 2018-19, which works out to 2.97%;
- b) K-factor governs the relationship between R&M expenses and Gross Fixed Assets; the K-factor for the Control Period has been approved as 0.96%, and the same K-factor has been considered for computation of normative R&M Expenses for FY 2019-20;
- c) As the AMC of SCADA/EMS has been allowed under SLDC, the same has been deducted from AEGCL's normative R&M expenses.

4.4.12 The normative R&M expenses approved in the true-up for FY 2019-20 is shown in the AEGCL and SLDC Order for Trueing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22

following Table:

**Table 12: Approved R&M Expenses for FY 2019-20 (Rs. Crore)**

Particular	Approved in MYT Order dt. 01.03.2019	AEGCL Submission	Approved by the Commission
Opening GFA for previous year	1676.82	1681.83	1681.83
Closing GFA for previous year	1817.49	1972.92	1972.92
<b>Average GFA for previous year</b>	<b>1747.16</b>	<b>1,827.38</b>	<b>1,827.38</b>
K Factor	0.96%	0.96%	0.96%
WPI Inflation	3.00%	2.98%	2.97%
<b>Normative R&amp;M Expenses</b>	<b>17.29</b>	<b>18.07</b>	<b>18.06</b>
Less: AMC of SCADA/EMS transferred to SLDC	-	-	0.38
<b>Revised Normative R&amp;M Expenses</b>	<b>17.29</b>	<b>18.07</b>	<b>17.68</b>

### A&G Expenses

4.4.13 For computation of A&G expenses for FY 2019-20, the Commission has adopted the following approach:

- The A&G expenses approved after True-up for FY 2018-19 in the Tariff Order dated March 7, 2020 have been considered as base expenses;
- WPI inflation has been computed as average increase of WPI index for period from FY 2016-17 to FY 2018-19, which works out to 2.97%.

4.4.14 The normative A&G expenses approved in the true-up for FY 2019-20 is shown in the following Table:

**Table 13: Approved A&G Expenses for FY 2019-20 (Rs. Crore)**

Particular	Approved in MYT Order dt. 01.03.2019	AEGCL Submission	Approved by the Commission
A&G Expenses for Previous year	9.08	9.40	9.40
WPI Inflation	3.00%	2.98%	2.97%
<b>Normative A&amp;G Expenses for the year - Transmission</b>	<b>9.35</b>	<b>9.68</b>	<b>9.68</b>

4.4.15 As regards the Training Expenses, the Commission in the MYT Order dated March 1, AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22



2019 had approved additional amount of Rs. 30 lakh as training expenses for AEGCL for FY 2019-20 and considers this amount in the true up for FY 2019-20. Balance requirement for training expenses should be met from the normative O&M expenses approved by the Commission.

4.4.16 The normative O&M expenses approved by the Commission for FY 2019-20 are shown in the following Table:

**Table 14: Normative O&M Expenses approved by Commission for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	MYT Order	AEGCL	Approved after Truing up
1	Employee Expenses	162.96	163.48	163.48
2	R&M Expenses	17.29	18.07	17.68
3	A&G Expenses	9.35	9.68	9.68
4	Training Expenses	0.30	0.39	0.30
<b>Total</b>		<b>189.90</b>	<b>191.62</b>	<b>191.14</b>

4.4.17 AEGCL has also claimed the impact of actual ROP arrears of Rs. 2.91 crore in FY 2019-20. The Commission has verified the ROP arrears payment from the Audited Accounts and approved the actual ROP arrears of Rs. 2.91 crore in the true-up for FY 2019-20.

4.4.18 Further, Regulation 10.2 of the 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 factor. 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.

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

**Table 15: Sharing of gains/(losses) for O&M Expenses for FY 2019-20 (Rs. Crore)**

Sl. 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	152.59	166.38	13.79	-
2	Less: Terminal Liabilities	25.06	25.06	-	
3	Less: ROP Arrears	2.91	2.91	-	-
4	Employee Cost excluding Terminal Liabilities & ROP arrears	124.62	138.42	13.79	4.60
5	R&M Expenses	17.14	17.68	0.54	0.18
6	A&G Expenses	9.47	9.68	0.21	0.07
	<b>Total (A)</b>	<b>151.23</b>	<b>165.78</b>	<b>14.55</b>	<b>4.85</b>

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

4.4.20 Normative O&M expenses are higher than actual expenses; therefore, the gain of Rs. 4.85 Crore has been shared and passed on through the ARR.

## 4.5 Capitalisation

4.5.1 AEGCL submitted the actual Capitalisation for FY 2019-20 as shown in the following Table:

**Table 16: Actual Capitalisation as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order	Actual
1.	Capitalisation	140.00	420.49

4.5.2 AEGCL submitted that funding of Capital Expenditure is done through various sources namely Loans, Grants, Equity and Debt. No infusion of equity has been made other than equity capital allocated to the Companies in the Opening Balance Sheets (OBS) of the Companies. 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 17: Funding of Capitalisation for FY 2019-20 as submitted by AEGCL (Rs. Crore)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Approved in MYT Order dtd 01.03.19</b>	<b>AEGCL Submission</b>
1	Grant	110.15	268.66
2	Equity	-	-
3	Debt	29.85	151.82
4	<b>Total Capitalisation</b>	<b>140.00</b>	<b>420.48</b>

### **Commission's Analysis**

- 4.5.3 The scheme-wise capital expenditure was approved by the Commission in the MYT Order dated March 1, 2019. 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 notes that the actual capital expenditure and capitalization incurred in FY 2019-20 are higher than the values approved in MYT Order dated March 1, 2019 but are only slightly higher than the amount provisionally approved in the APR of 2019-20 vide Tariff Order dated March 07, 2020. The Commission sought the details of project-wise actual capital expenditure and Capitalization for FY 2019-20.
- 4.5.4 The Commission in the MYT Order dated March 1, 2019 had approved capitalisation of Rs. 140.00 Crore for FY 2019-20, against which AEGCL has achieved capitalisation of Rs. 420.48 Crore.
- 4.5.5 For the purpose of truing up, the Commission has considered the actual capitalisation for FY 2019-20 based on the audited accounts. As regards the funding of capitalisation, the Commission has considered the actual funding as submitted by AEGCL.
- 4.5.6 In view of the above, the Capitalisation and its funding as approved by the Commission in the true-up for FY 2019-20 is shown in the following Table:

**Table 18: Capital Expenditure and Capitalisation for FY 2019-20 approved by Commission (Rs. Crore)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Approved in MYT Order dt. 01.03.19</b>	<b>AEGCL</b>	<b>Approved after Truing up</b>
1	Capitalisation	140.00	420.48	420.48
	<b>Funding of Capitalisation</b>			
2	Grant	110.15	268.66	268.66
3	Equity	0.00	-	-
4	Debt	29.85	151.82	151.82
<b>5</b>	<b>Total</b>	<b>140.00</b>	<b>420.48</b>	<b>420.48</b>

## 4.6 Depreciation

4.6.1 The Commission had approved the Depreciation of Rs. 23.92 Crore for FY 2019-20 in the Order dated March 1, 2019. As against this, AEGCL has claimed depreciation of Rs. 42.55 Crore in the True-up for FY 2019-20.

### Commission's Analysis

4.6.2 The Commission has considered the opening GFA for FY 2019-20 as per the closing GFA value approved in True up of FY 2018-19 vide the Tariff Order dated March 7, 2020. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2018.

4.6.3 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 the 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.

4.6.4 In line with the approach adopted in the previous Orders and as specified in Regulation 32 of the MYT Regulations, 2018, the Commission has not considered the depreciation on assets funded through grants, consumer contribution or capital subsidy, for FY 2019-20.

4.6.5 The depreciation approved in the truing up for FY 2019-20 is given in the Table below:

**Table 19: Depreciation approved for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2018
1	Land owned under full ownership	37.97	0.13	-	-
2	Building	43.20	7.14	3.34%	1.00
3	Hydraulic	2.64	-	5.28%	-
4	Other Civil Works	84.59	26.04	3.34%	3.26
5	Plant & Machinery	980.89	139.76	5.28%	51.50
6	Lines & Cable Net work	810.93	247.05	5.28%	28.23
7	Vehicles	4.96	-	9.50%	0.07
8	Furniture & Fixtures	4.45	0.15	6.33%	0.18
9	Office Equipment	3.29	0.21	6.33%	0.17
10	<b>Grand Total</b>	<b>1,972.92</b>	<b>420.48</b>		<b>84.41</b>
11	Less: Depreciation for Grants/ Consumer Contribution				57.63
12	<b>Net Total</b>				<b>26.78</b>

4.6.6 The Commission accordingly approves Depreciation of Rs. 26.78 Crore for FY 2019-20 after truing up.

#### 4.7 Interest and Finance Charges

4.7.1 The Commission had approved Interest and Finance Charges of Rs. 11.05 Crore for FY 2019-20 in the Tariff Order dated March 01, 2019 and subsequent Review Order dated 25.06.2019. As against this, AEGCL has claimed normative Interest and finance charges of Rs. 14.10 Crore for FY 2019-20, in accordance with the MYT Regulations.

##### Commission's Analysis

4.7.2 The Commission has approved normative Interest on loan capital for FY 2019-20 in accordance with Regulation 34 of the MYT Regulations, 2018. The Normative Loan outstanding as on April 1, 2019 has been derived after reducing the cumulative repayment as admitted by the Commission up to March 31, 2019 from the Gross Normative Loan.

4.7.3 Accordingly, the Commission has considered the opening net normative loan as on April 1, 2019 as Rs. 87.59 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. The approved addition of normative loan during FY 2019-20 and normative repayment during FY 2019-20 are thus, considered as Rs.151.82 crore and Rs. 26.78 crore, respectively. After computation, the net normative closing loan works out to Rs. 15.13 Crore for FY 2019-20.

4.7.4 As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on outstanding loan as on April 1, 2019. The Commission sought details of outstanding loan as on April 1, 2019 along with documentary evidences, which was submitted by AEGCL. The Commission notes that ADB loan of Rs. 95.68 Crore at interest rate of 10.50%, State Government loan of Rs. 504.33 Crore at interest rate of 10.00%, and General Provident Fund (GPF) loan of Rs 52.99 Crore at interest rate of 8.00% are outstanding in FY 2019-20. However, as the Commission has not allowed interest on GPF loan, the same has not been considered for computation of weighted average rate of interest. Accordingly, the weighted average interest rate has been computed as 10.08% for computation of interest on loan capital.

4.7.5 The Commission has approved the actual Finance Charges of Rs. 0.01 crore in the truing-up for FY 2019-20. The Interest on loan capital approved by the Commission after truing up for FY2019-20 is shown in the following Table:

**Table 20: Approved Interest on loan Capital for FY 2019-20 (Rs. Crore)**

Particulars	Approved in Order dtd 01.03.19, Review Order dt 25.06.19	AEGCL	Approved after Truing up
Net Normative Opening Loan	108.96	87.58	87.59
Addition of normative loan during the year	29.85	151.82	151.82
Normative Repayment during the year	23.92	42.55	26.78
Net Normative Closing Loan	114.89	196.84	212.62
Interest Rate	9.87%	9.91%	10.08%
Interest Expenses on Loan	11.05	14.09	15.13
Finance Charges		0.01	0.01
<b>Total Interest and Finance Charges</b>	<b>11.05</b>	<b>14.10</b>	<b>15.14</b>

4.7.6 **The Commission approves Interest on loan Capital as Rs 15.14 Crore in the truing up for FY 2019-20.**

## 4.8 Return on Equity

4.8.1 AEGCL has claimed Return on Equity (RoE) of Rs. 15.49 Crore for FY 2019-20 as compared to the RoE of Rs. 15.49 Crore approved by the Commission in the MYT Order dated March 1, 2019. AEGCL has considered Nil addition of equity during FY 2019-20.

### Commission's Analysis

4.8.2 The Commission has approved RoE in accordance with Regulation 33 of 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 21: Return on Equity approved by the Commission for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 01.03.19	AEGCL Submission	Approved after Truing up
1	Equity (Opening Balance)	99.93	99.93	99.93
2	Net additions during the year	0	-	-
3	Less: Reduction during the year	0	-	-
4	<b>Equity (Closing Balance)</b>	<b>99.93</b>	<b>99.93</b>	<b>99.93</b>
5	<b>Average Equity</b>	<b>99.93</b>	<b>99.93</b>	<b>99.93</b>
6	Rate of Return on Equity	15.50%	15.50%	15.50%
7	<b>Return on Equity</b>	<b>15.49</b>	<b>15.49</b>	<b>15.49</b>

4.8.3 **The Commission approves the Return on Equity of Rs. 15.49 Crore for FY 2019-20 after Truing up.**

## 4.9 Interest on Working Capital (IoWC)

4.9.1 The Commission had approved normative Interest on Working Capital (IoWC) of Rs. 12.08 crore in the Tariff Order dated March 01, 2019 and subsequent Review Order dated 25.06.2019. AEGCL submitted that IoWC has been calculated on normative basis as per the provisions of MYT Regulations, 2018. The rate of interest is State Bank of India (SBI) Base Rate as on April 1, 2019 plus 300 basis points. AEGCL has claimed IoWC of Rs. 12.25 Crore for FY 2019-20 for Truing up as per the following

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

Table:

**Table 22: Interest on Working Capital as submitted by AEGCL for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19, Review Order dt 25.06.19	AEGCL Submission
1	O&M expenses for 1 month	15.83	15.97
2	Maintenance spares @ 15% of O&M expenses	28.485	28.74
3	Receivables for two months	61.01	65.24
<b>4</b>	<b>Total Working Capital</b>	<b>105.32</b>	<b>109.95</b>
5	Rate of Interest	11.47%	11.14%
<b>6</b>	<b>Interest on Working Capital</b>	<b>12.08</b>	<b>12.25</b>

### Commission's Analysis

- 4.9.2 The Commission has computed normative IoWC in accordance with Regulation 36 of the MYT Regulations, 2018. The rate of Interest has been considered equal to Average of SBI MCLR (One-year tenor) prevalent during FY 2019-20 plus 300 basis points, i.e., 11.14%.
- 4.9.3 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 2019-20 is shown in the following Table:

**Table 23: IoWC for FY 2019-20 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19, Review Order dt 25.06.19	AEGCL Submission	Approved after Truing up
1	O&M expenses for 1 month	15.83	15.97	15.93
2	Maintenance spares @ 15% of O&M expenses	28.485	28.74	28.67
3	Receivables for two months	61.01	65.24	61.01
<b>4</b>	<b>Total Working Capital</b>	<b>105.32</b>	<b>109.95</b>	<b>105.60</b>
5	Rate of Interest	11.47%	11.14%	11.14%
<b>6</b>	<b>Interest on Working Capital</b>	<b>12.08</b>	<b>12.25</b>	<b>11.76</b>

- 4.9.4 Accordingly, the Commission approves Interest on Working Capital of Rs. 11.76 Crore for FY 2019-20 after truing up.



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

4.10.1 In the Order dated March 1, 2019, the Commission had approved special charges on Bulk Supply Tariff at 15 paise per unit amounting to Rs. 141.60 Crore for FY 2019-20. AEGCL has claimed Rs. 135.49 Crore as BST for Pension Fund as per the audited annual accounts for FY 2019-20.

##### **Commission's Analysis**

4.10.2 The Commission has verified the BST computations at 15 paise per unit on the Energy Input to APDCL, from the SLDC certificate. Hence, the Commission approves the BST for Pension Fund (Special Charges for Terminal Benefits) of Rs. 134.59 Crore for FY 2019-20.

#### **4.11 Net Prior Period Expenses/(income)**

4.11.1 AEGCL has claimed net prior period expenses of Rs. 3.53 Crore for FY 2019-20 based on the Audited Accounts.

##### **Commission's Analysis**

4.11.2 The Commission has analysed the component-wise details and justification for Net Prior Period expenses/(income) for FY 2019-20 as submitted by AEGCL. The Commission has considered the treatment of prior period items based on the treatment allowed to that particular item in the true-up for the year to which the expenses/(income) pertain.

4.11.3 The Commission has disallowed the Interest and Finance Charges relating to Prior period as it is allowed on normative basis earlier.

4.11.4 For prior period income against excess booking of controllable expenses such as O&M expenses, 2/3<sup>rd</sup> of AEGCL claim under prior period is considered as in earlier years, sharing of the gains/losses has been allowed.

4.11.5 The Net prior period expenses/(income) submitted by AEGCL and approved by the Commission after trueing up for FY 2019-20, are shown in the following Table:

**Table 24: Net Prior Period expenses/(income) approved for FY 2019-20 (Rs. Crore)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>AEGCL's Submission (as per Accounts)</b>	<b>Approved after Truing up</b>
	<b>Prior Period Expenses</b>		
1	Employee Costs relating to prior period	<b>0.05</b>	<b>0.03</b>
2	Interest and Finance Charges relating to Prior period	<b>8.39</b>	<b>0.00</b>
3	<b>Other Expenses relating to prior period</b>	<b>2.36</b>	<b>0.11</b>
A	Journalization for ROP arrear pay	0.44	0.44
B	Capitalization of assets wrongly recorded as R&M Expenses now booked as Plant & Equipment	-0.03	-0.02
C	Capitalization of assets wrongly recorded as R&M Expenses now booked as Other Civil Works	-0.01	0.00
D	The rectification entry passed to rectify wrong booking under R&M, which is now capitalized and booked as asset.	-0.08	-0.05
E	The rectification entry passed for recording O&M Expenses wrongly	0.02	0.02
G	Reversal of R&M expenses for the portion of return of 04 nos. of 220 kV CVT & 01 no. of 245 kV CVT	-0.17	-0.11
H	Reversal of R&M expenses for the portion of O&M Materials return by substation maintenance Samaguri	-0.19	-0.13
I	Amount journalized for booking of asset for the rectification entry against R&M works	-0.08	-0.05
J	Rectification entry for wrongly passed Swach Bharat Cess & Krishi Kalyan Cess	0.02	0.02
K	Journalization for omission of expenses w.r.t. booking of properties/land tax of GMC	0.24	0.16
L	Amount paid against final settlement of ECI Engg Constn Company Limited vide Arbitral Tribunal Award	1.05	0.00
O	Provision for unserviceable and obsolete material stock for the FY 2018-19 which was omitted to be recorded in FY 2018-19	1.14	0.00
	<b>Sub-total</b>	<b>10.80</b>	<b>0.14</b>
	<b>Prior Period Income</b>		
3	Cancellation of the bill for gravelling of the switchyard of Kahilipara	0.18	0.18
4	R&M previously wrongly debited, now booked as asset	0.38	0.26
5	Rectification Journal Entries for foundation	0.03	0.03

Sl. No.	Particulars	AEGCL's Submission (as per Accounts)	Approved after Truing up
	& Erection		
8	Rental for occupying land from various parties	0.02	0.02
10	Receivable against Quarters rent for Army from DC Tinsukia	0.29	0.29
12	Battery bank purchased & installed wrongly journalised now rectified	0.08	0.08
13	Rectification entry for wrongly passed of Asset as R&M	0.05	0.03
14	Amount received from Vista Print during FY 2018-19	0.01	0.01
15	Dividend received for FY 2018-19 from North Eastern Transmission Company Ltd.	2.67	0.89
16	Short provision for accrued Interest on FDs and short Accounting of TDS	2.20	2.20
17	Other Bank Charges relating to FY 18-19	-0.01	-0.01
19	Rectification entry to credit the amount to appropriate head	-0.03	-0.03
20	The reversal provision for unserviceable & obsolete materials stock made during FY2017-18	2.37	0.00
21	The accounting of refund (interest portion) paid by IT Authority during AY 2017-18	0.06	0.06
22	The transfer of Sundry Debit Balances written off to prior period income	0.07	0.07
23	Other Excess Provision in Prior Periods	0.06	0.00
<b>24</b>	<b>Sub-total</b>	<b>8.43</b>	<b>4.08</b>
	<b>Net Prior Period Expenses/(Income)</b>	<b>2.36</b>	<b>(3.79)</b>

4.11.6 Accordingly, the Commission approves the Net Prior Period Income of Rs. 3.79 Crore after Truing-up for FY 2019-20.

## 4.12 Income Tax

4.12.1 AEGCL has claimed NIL Income Tax as per the audited accounts for FY 2019-20.

### Commission's Analysis

4.12.2 The Commission has not considered any Income Tax in the truing up for FY 2019-20.

### **4.13 Adjustment for Higher Transmission Loss**

4.13.1 AEGCL has not considered any adjustment for higher Transmission loss as provided in MYT Regulations, 2018.

#### **Commission's Analysis**

4.13.2 Regulation 71 of the MYT Regulations, 2018 specifies that,

*“Provided that the Commission may stipulate a trajectory for reduction of transmission losses in accordance with Regulation 7, as a part of Multi Year Tariff framework applicable to the Transmission Licensee.*

*Provided that for difference between the actual level of transmission losses, as determined by the State Load Despatch Centre and the approved level, the transmission ARR shall be adjusted proportionately.”*

4.13.3 In the MYT Order dated 1 March 2019, the Commission has approved the Transmission loss trajectory for FY 2019-20 as 3.39%. AEGCL has submitted the transmission loss as 3.40% however, as per SLDC Certificate, the actual Transmission Loss is 3.46%. Hence, the Commission has considered actual transmission loss as 3.46%, as against the approved Transmission Loss of 3.39%, which amounts to excess Losses of 2.06% over the approved Transmission Loss level.

4.13.4 The MYT Regulations, 2018 specify that the Transmission ARR has to be adjusted for the difference between the actual and approved Transmission Loss. After due deliberation, the Commission has adjusted the net Transmission ARR of Rs. 190.53 Crore after excluding PGCIL Charges of Rs. 37.55 Crore and BST charges for Pension trust fund of Rs. 134.59 Crore, considering that these expenses are uncontrollable for AEGCL and are not directly attributable to AEGCL. Hence, an amount of Rs 3.93 Crore has been adjusted proportionately from the total ARR of FY 2019-20, i.e., 2.06% of the ARR of Rs. 190.53 crore approved after true-up for FY 2019-20.

### **4.14 Incentive for Transmission Availability**

4.14.1 AEGCL has billed the amount of Rs 1.45 Crore towards incentive for Transmission Availability being higher than normative Availability as per the MYT Regulations, 2018.

## Commission's Analysis

4.14.2 Regulation 65 of the MYT Regulations, 2018 specifies Normative Transmission Availability of 98% for full recovery of transmission charges and 98.5% for incentive consideration.

4.14.3 The actual Transmission Availability for AEGCL for FY 2019-20 is 98.83% on annual basis. The Commission sought the details of monthly Transmission Availability duly certified by SLDC, which was submitted by AEGCL. 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 25: Incentive on Transmission Availability for FY 2019-20 as approved by the Commission (Rs. Crore)**

Sl. No.	Month	No. of Days in Month	Monthly Transmission Charges	Actual Availability (%)	Transmission Charges inclusive of incentive	Incentive
1	April'18	30	29.73	98.68%	29.78	0.06
2	May'18	31	30.72	98.19%	30.72	0.00
3	June'18	30	29.73	98.17%	29.73	0.00
4	July'18	31	30.72	98.70%	30.78	0.06
5	August'18	31	30.72	98.95%	30.86	0.14
6	September'18	30	29.73	98.89%	29.84	0.12
7	October'18	31	30.72	99.16%	30.92	0.20
8	November'18	30	29.73	99.28%	29.96	0.24
9	December'18	31	30.72	99.07%	30.90	0.18
10	January'19	31	30.72	99.14%	30.92	0.20
11	February'19	29	28.74	98.74%	28.81	0.07
12	March'19	31	30.72	98.99%	30.87	0.15
	<b>Total</b>	<b>366</b>	<b>362.67</b>	<b>98.83</b>	<b>364.09</b>	<b>1.41</b>

4.14.4 The Commission approves the Incentive of Rs. 1.41 Crore on account of higher Transmission Availability after truing up for FY 2019-20, which has been added to the ARR.

## 4.15 Non-Tariff Income

4.15.1 The Commission had approved Non-Tariff Income (NTI) of Rs. 28.01 crore in the Tariff Order dated March 1, 2019 for FY 2019-20.

4.15.2 AEGCL submitted that NTI mainly comprises income from investments and miscellaneous receipts, and receivables from Central Transmission Utility (CTU) for utilization of its network for wheeling Central Sector Generating Station (CSGS) power to some States of the region. AEGCL submitted that it has considered the actual NTI of Rs. 64.05 crore earned during FY 2019-20 in the truing up, as shown in the Table below:

**Table 26: NTI as submitted by AEGCL for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19	AEGCL Submission
A	<b>Income from Investment, Fixed &amp; Call Deposits</b>		
	Income from Investments		1.12
	Interest on fixed deposits		47.89
	Income on other investments (Dividend)		1.25
	Interest from Banks		1.45
	Interest on GPF		-3.70
	<b>Sub Total</b>		<b>48.00</b>
B	<b>Other Non-Tariff Income</b>		
	Miscellaneous Receipts		15.35
	Hire Charges from Contractors/Suppliers/Others		0.02
	Penalty for contractor/supplier for delay, etc.		-
	Sale of Scrap		0.08
	Rebate received from PGCIL		0.46
	Rentals from staff quarters		0.13
	<b>Sub-Total</b>		<b>16.04</b>
	<b>Total</b>	<b>28.01</b>	<b>64.05</b>

4.15.3 AEGCL submitted that in accordance with Regulation 68 of the MYT Regulations, 2018, AEGCL has considered 1/3<sup>rd</sup> (against Rs. 3.75 Crore) of Dividend from North East Transmission Company Limited (NETCL) for FY 2019-20 as the amount is part of Other Business Income of AEGCL.

4.15.4 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 Tariff Petition. AEGCL added that the Commission vide Tariff Order dated 07.03.2020 has approved deduction of

interest on GPF from Non-Tariff Income, Therefore, AEGCL requested the Commission to deduct the interest on GPF amounting to Rs. 3.70 Crore from Non-Tariff Income in the truing-up for FY 2019-20..

4.15.5 AEGCL submitted that the Commission vide Tariff Order dated 07.03.2020 has considered the Wheeling Charges from Open Access Consumers as additional revenue of AEGCL for the computation of Revenue Gap/(Surplus) in True-up of AEGCL for FY 2018-19. Therefore, AEGCL has considered the Wheeling Charges from Open Access Consumers amounting to Rs. 21.60 Crore as additional revenue of AEGCL for computation of Revenue Gap/(Surplus) in True-up for FY 2019-20 and request the Commission to approve the same.

4.15.6 In view of the above, AEGCL requested the Commission to approve the Non-Tariff income amounting to Rs. 64.05 crore for FY 2019-20 as shown in the above Table.

### Commission's Analysis

4.15.7 The Commission has verified the head-wise NTI from the Audited Accounts of AEGCL for FY 2019-20.

4.15.8 As regards Rs. 2.67 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 1/3<sup>rd</sup> of this amount, in accordance with the MYT Regulations, 2018.

4.15.9 The Commission has therefore, considered the NTI in the truing up for FY 2019-20, as Rs. 64.05 crore, based on the Audited Accounts, and after reducing the Interest on GPF of Rs. 3.70 crore, and considering 1/3<sup>rd</sup> of the Dividend Income, as shown in the Table below:

**Table 27: NTI approved by the Commission for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19	AEGCL Submission	Approved after Truing up
A	<b>Income from Investment, Fixed &amp; Call Deposits</b>			
	Income from Investments		1.12	1.11
	Interest on fixed deposits		47.89	47.89
	Income on other investments (Dividend)		1.25	1.25
	Interest from Banks		1.45	1.45
	Interest on GPF		-3.70	-3.70
	<b>Sub Total</b>		<b>48.00</b>	<b>48.00</b>

Sl. No.	Particulars	Approved in Order dtd 01.03.19	AEGCL Submission	Approved after Truing up
<b>B</b>	<b>Other Non-Tariff Income</b>			
	Miscellaneous Receipts		15.35	15.35
	Hire Charges from Contractors/Suppliers/Others		0.02	0.02
	Penalty for contractor/supplier for delay, etc.		-	
	Sale of Scrap		0.08	0.08
	Rebate received from PGCIL		0.46	0.46
	Rentals from staff quarters		0.13	0.14
	<b>Sub-Total</b>		16.04	16.05
	<b>Total</b>	<b>28.01</b>	<b>64.05</b>	<b>64.05</b>

#### 4.16 Revenue from Operations

4.16.1 AEGCL has claimed Revenue of Rs. 366.03 Crore in the Truing up for FY 2019-20. AEGCL has also claimed Revenue from Wheeling Charges from Open Access Consumers under Non-Tariff Income as Rs. 21.60 crore.

##### Commission's Analysis

4.16.2 The Commission had approved net ARR of Rs. 360.84 Crore for AEGCL for FY 2019-20 in the MYT Order dated March 1, 2019. Further, in the Review Order dated June 25, 2020, the approved ARR was revised to Rs. 366.03 crore. Accordingly, for FY 2019-20, AEGCL has billed APDCL based on the MYT Order dated March 1, 2019 and the Review Order dated June 25, 2020. The audited accounts for FY 2019-20 reflect the actual revenue of Rs. 249.55 Crore after considering monthly adjustments in the Bill of APDCL of a total surplus amount of Rs. 114.22 Crore, and excluding the incentive amount of Rs. 1.45 crore.

4.16.3 AEGCL, in its reply to the Data Gaps, has admitted that it had inadvertently considered 0.34 Crore of income of SLDC from IEX as open access revenue of AEGCL. Commission has hence, considered Revenue from Wheeling Charges (Transmission Charge) from Open Access consumers as Rs. 21.26 Crore.

4.16.4 AEGCL, in its Additional Submission dated January 29, 2021, has stated that it had inadvertently booked an amount of Rs. 1.29 crore twice in its Revenue from Wheeling Charges from Open Access consumers, and requested the Commission to reduce the Open Access revenue to that extent.

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*



4.16.5 The Commission has noted the submission of AEGCL, however, AEGCL has still not provided any kind of Auditor's Certificate for this revision. The Commission has true-up the expenses and income of AEGCL for FY 2019-20 based on its Audited Accounts. AEGCL has now submitted that there is an error in the Audited Accounts. The Commission is of the view that in the absence of Auditor's Certification for such accounting error, it would not be prudent to revise the revenue amount. AEGCL may claim this amount in next year's true up under the head of Prior Period Expense/Income after due certification from the Auditors.

**4.16.6 In view of the above, the Commission has considered the revenue of Rs. 387.29 Crore, in the Truing up for FY 2019-20.**

#### **4.17 ARR after Truing Up of FY 2019-20**

4.17.1 Considering the above heads of expense and revenue as per the Audited Accounts for FY 2019-20 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2019-20 is shown in the following Table:

**Table 28: ARR approved after Truing up for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 1.03.19	Proposed by AEGCL in Petition	Proposed by AEGCL in Data Gap Reply dated 22.01.2021	Approved after truing up
1	PGCIL Charges	-	37.54	37.54	37.54
2	O&M Expenses	189.90	191.62	191.62	191.14
a	Employee Cost	162.96	163.48	163.48	163.48
b	R&M Expenses	17.29	18.07	18.07	17.68
c	A&G Expenses	9.35	9.68	9.68	9.68
3	Training Expenses	0.30	0.39	0.39	0.30
4	Impact of Revision of Pay	-	2.91	2.91	2.91
5	Depreciation	23.92	42.55	42.55	26.78
6	Interest & Finance Charges (Approved in Revised T.O. dated 25.06.19)	11.05	14.10	14.10	15.14
7	Interest on Working Capital	12.08	12.25	12.25	11.76
8	BST for Pension Trust Fund	141.60	135.49	135.49	134.59
9	Return on Equity	15.49	15.49	15.49	15.49
10	Income Tax	-	-	-	-

Sl. No.	Particulars	Approved in Order dtd 1.03.19	Proposed by AEGCL in Petition	Proposed by AEGCL in Data Gap Reply dated 22.01.2021	Approved after truing up
11	Net Prior period Charges/(Credits)		3.53	3.53	(3.79)
12	Less: Non-Tariff Income/ Other Income	28.01	64.05	64.05	64.05
<b>13</b>	<b>Aggregate Revenue Requirement</b>	<b>366.03</b>	<b>391.43</b>	<b>391.43</b>	<b>367.52</b>
14	Add: Sharing of (Gains)/Loss	-	(4.90)	(4.90)	(4.85)
15	<b>ARR after sharing</b>	<b>366.03</b>	<b>386.53</b>	<b>386.53</b>	<b>362.67</b>
16	Less: Adjustment in ARR due to Excess Transmission Losses	-	-	-	3.93
17	<b>Net ARR</b>	<b>366.03</b>	<b>386.53</b>	<b>386.53</b>	<b>358.75</b>
18	Incentive on Transmission Availability	-	1.45	1.45	1.41
<b>19</b>	<b>ARR after Incentive</b>	<b>366.03</b>	<b>387.98</b>	<b>387.98</b>	<b>360.16</b>
<b>20</b>	Revenue with Approved Tariff	366.03	366.03	366.03	366.03
21	Revenue from STOA/MTOA Charges		21.60	21.26	21.26
<b>22</b>	<b>Revenue Gap /(Surplus)</b>	<b>-</b>	<b>0.35</b>	<b>0.69</b>	<b>(27.13)</b>

The Commission has approved the Net ARR after sharing of (Gains)/Losses, adjustment in ARR due to excess Transmission Losses and Incentive after Truing-up for FY 2019-20 as Rs. 360.16 Crore. After considering the Revenue at approved Tariff and Revenue from STOA/MTOA charges, the Revenue Surplus of Rs. 27.13 Crore is approved after truing up for FY 2019-20, with associated holding cost. This Surplus has been considered for adjustment in the net ARR of APDCL during FY 2021-22.

## 5 Annual Performance Review for FY 2020-21

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### 5.1 Methodology for Annual Performance Review

5.1.1 The Commission had approved the ARR for FY 2020-21 vide the Tariff Order dated March 7, 2020.

5.1.2 Regulation 9.3 of the MYT Regulations, 2018, specifies that the Commission shall undertake the APR and True-up for the respective years of the Control Period from FY 2019-20 to FY 2021-22, as reproduced below:

*“9.3 The scope of **the Annual Performance 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:*

...

***Annual Performance Review: a comparison of the performance targets estimated to be achieved for the current financial year (based on 6 months actual data) with the approved forecast for that financial year including adjusting trajectories of uncontrollable if needed.” (emphasis added)***

5.1.3 AEGCL submitted the APR for FY 2020-21, supported by actual information available till September 2020 and estimated values for the next six months. AEGCL has sought APR for FY 2020-21, with the estimated Revenue Gap/(Surplus), to be recovered from APDCL.

5.1.4 However, from the above said Regulation, it is clear that the main objective of APR is to compare the estimated performance for FY 2020-21 vis-à-vis forecast approved in the MYT Order dated March 1, 2019. The Revenue Gap/(Surplus) arising out of APR for FY 2020-21 shall not be passed on to the beneficiaries, and the same shall be considered at the time of Truing-up of FY 2020-21 only.

5.1.5 In the present Chapter, the Commission has analysed all the elements of ARR vis-à-vis values approved in the Tariff Order for FY 2020-21. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2020-21. No

sharing of gains/(losses) has been undertaken at this stage and the same shall be considered along with the Revenue Gap/(Surplus) to be passed through at the time of Truing up for FY 2020-21.

## 5.2 Transmission Loss

5.2.1 AEGCL submitted the Transmission Loss of 3.38% for FY 2020-21, as shown in the following Table:

**Table 29: Transmission Loss for FY 2020-21 as submitted by AEGCL**

Sl. No.	Particulars	Approved in T.O. dt. 7.03.20	AEGCL Estimation
1	Energy Injected (MU)		9466.28
2	Energy Sent Out to APDCL (MU)		266.83
3	Energy Sent Out to OA Consumers (MU)		9733.11
4	Total Energy Sent Out		340.85
4	Transmission Loss (MU)		9466.28
<b>5</b>	<b>Transmission Loss (%)</b>	<b>3.34%</b>	<b>3.38%</b>

### Commission's Analysis

5.2.2 The Commission observes that the Transmission Loss submitted by AEGCL is higher than the targeted loss level approved in the Tariff Order dated March 7, 2020. 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

5.3.1 AEGCL has submitted Transmission Availability for FY 2020-21 as 98.36% and claimed Incentive of Rs. 0.07 Crore for FY 2020-21.

### Commission's Analysis

5.3.2 Regulation 65 of the MYT Regulations, 2018 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 Regulation 69 of the MYT Regulations, 2018.

5.3.3 AEGCL should strive to maintain and improve its Transmission Availability. The computation of incentive/disincentive on account of Transmission Availability shall be undertaken at the time of truing up for FY 2020-21 in line with the MYT Regulations, 2018.

## 5.4 Operation and Maintenance Expenses

5.4.1 AEGCL submitted that O&M expenses for FY 2020-21 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis in accordance with Regulation 66.9 and 66.10 of the MYT Regulations, 2018. The normative expenses as claimed in the true-up for FY 2019-20 have been considered as the base expenses. The average WPI and CPI have been considered as 2.96% and 5.35%, respectively. The normative O&M expenses submitted by AEGCL for FY 2020-21 are shown in the Table below:

**Table 30: Normative O&M Expenses Projected by AEGCL for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 07.03.20	AEGCL Submission
1	<b>O&amp;M Expenses</b>	<b>203.29</b>	<b>205.82</b>
a	Employee Expenses	172.07	173.95
b	R&M Expenses	20.94	21.58
c	A&G Expenses	9.97	9.97
2	Training Expenses	0.30	0.32

5.4.2 AEGCL has also submitted the revised estimates of each component of O&M expenses for FY 2020-21, 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.

### 5.4.3 Employee Expenses

AEGCL has estimated the employee cost considering trend of past year's employee cost, increase in dearness allowance, and its impact on other allowances such as HRA, field allowances, Provident Fund (PF), etc. 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. 173.95 Crore for FY 2020-21.

#### 5.4.4 R&M Expenses

AEGCL submitted that the current transmission infrastructure is old and the majority of the assets have already completed their useful life. To maintain the assets in a more efficient way, AEGCL has been carrying out R&M activities. AEGCL has considered the actual R&M expenses incurred during first 6 months plus estimate for the next 6 months. AEGCL submitted that the R&M works on assets during H1 is minimal on account of monsoon, and the expenses in H2 are nearly twice as the H1 expenses. AEGCL has estimated R&M expenses of Rs. 21.58 Crore for FY 2020-21.

#### 5.4.5 A&G Expenses

AEGCL has considered the actual expenses incurred during 6 months plus estimated for 6 months. AEGCL has projected the A&G Expenses of Rs. 9.97 Crore for FY 2020-21.

#### **Expenses towards Training and Capacity Building**

5.4.6 AEGCL submitted that on account of global Covid-19 pandemic, the scheduled training courses have been deferred/cancelled, however, online training courses have been initiated by AEGCL for the 2<sup>nd</sup> half of FY 2020-21. Some of the online training programmes that AEGCL is planning to conduct are productivity enhancement program for Group C or D employees, in-house Technical programs on O&M of GSS and Transmission Lines, Senior leadership program through IIMs on leadership, team building, strategy planning, goal setting, risk management, time management, stress management, decision making and judgement.

5.4.7 AEGCL estimated the cost of the Training courses as Rs. 0.32 Crore and requested the Commission to allow the Training and Capacity Building expenses.

#### **Commission's Analysis**

5.4.8 The Commission has approved the normative O&M Expenses as per Regulation 66.9 and 66.10 of the MYT Regulations, 2018.

#### **Employee Expenses**

5.4.9 For computation of normative employee expenses for FY 2020-21, the Commission has adopted the following approach:

- d) The normative employee expenses approved for FY 2019-20 have been considered as base expenses for FY 2020-21.
- e) CPI inflation has been computed as average increase of CPI for the period from

FY 2017-18 to FY 2019-20, which works out to 5.35%.

- f) Considering the projected expansion of transmission network over FY 2019-20, growth factor of 1% has been considered in accordance with the growth considered in the Tariff Order.

5.4.10 The normative employee expenses approved for FY 2020-21 is shown in the following Table:

**Table 31: Employee Expenses Approved in APR of FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 7.03.20	AEGCL	Approved in APR
Base Employee Cost (n-1)	163.47	163.48	163.48
Avg. CPI rate of preceding three years	4.22%	5.35%	5.35%
Gn (Growth Factor for nth Year)	1.00%	1.00%	1.00%
<b>Normative Employee Cost</b>	<b>172.07</b>	<b>173.95</b>	<b>173.95</b>

#### **R&M Expenses**

5.4.11 For computation of normative R&M Expenses for FY 2020-21, the Commission has considered the following approach:

- The K-factor for the Control Period has been approved as 0.96%, and the same K-factor has been considered for computation of normative R&M Expenses for FY 2020-21;
- WPI inflation for computation of R&M Expenses works out to 2.96% as per MYT Regulations, 2018, based on average increase of WPI for the period from FY 2017-18 to FY 2019-20;
- Since, K-factor has been computed on the basis of average GFA, for working out R&M expenses for FY 2020-21, average GFA for previous year has been considered;
- As the AMC of SCADA/EMS has been allowed under SLDC, the same has been deducted from AEGCL's normative R&M expenses.

5.4.12 The normative R&M expenses approved for FY 2020-21 is shown in the following Table:

**Table 32: R&M Expenses Approved in APR for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	AEGCL	Approved in APR
Opening GFA for previous year	1972.92	1,972.93	1972.92
Closing GFA for previous year	2377.01	2,393.41	2,393.40
Average GFA for previous year	2174.97	2,183.17	2,183.16
K Factor	0.96%	0.96%	0.96%
WPI Inflation	2.98%	2.96%	2.96%
<b>Normative R&amp;M Expenses</b>	<b>21.50</b>	<b>21.58</b>	<b>21.58</b>
<b>Less: AMC of SCADA/EMS transferred to SLDC</b>	<b>0.56</b>	<b>-</b>	<b>0.38</b>
<b>Revised Normative R&amp;M Expenses</b>	<b>20.94</b>	<b>21.58</b>	<b>21.20</b>

### A&G Expenses

5.4.13 For computation of A&G expenses for FY 2020-21, the Commission has adopted the following approach:

- The normative A&G expenses approved for FY 2019-20 have been considered as base expenses for computation of normative A&G expenses for FY 2020-21;
- As discussed in earlier para, the Commission has considered the WPI inflation of 2.96%.

5.4.14 The normative A&G expenses approved for FY 2020-21 is shown in the following Table:

**Table 33: A&G Expenses Approved in APR for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	AEGCL	Approved in APR
A&G Expense for Previous year	9.68	9.68	9.68
WPI Inflation	2.98%	2.96%	2.96%
<b>Normative A&amp;G Expenses for the year</b>	<b>9.97</b>	<b>9.97</b>	<b>9.97</b>

5.4.15 As regards the Training Expenses, the Commission in the MYT Order dated March 1, 2019 and Tariff Order dated March 7, 2020 had approved additional amount of Rs. 0.30 Crore as training expenses for AEGCL for FY 2020-21 and retains this amount in the APR for FY 2020-21. Balance requirement for training expenses should be met from the O&M expenses.



5.4.16 In view of the above, the Commission has approved the O&M expenses in the APR for FY 2020-21, as shown in the following Table:

**Table 34: O&M Expenses Approved in APR for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	Proposed by AEGCL	Approved in APR
<b>Total O&amp;M Expenses</b>	<b>203.29</b>	<b>205.82</b>	<b>205.42</b>
Employee Expenses	172.07	173.95	173.95
R&M Expenses	20.94	21.58	21.20
A&G Expenses	9.97	9.97	9.97
Training Expenses	0.30	0.32	0.30

## 5.5 Capitalisation

5.5.1 AEGCL submitted that the capitalisation for FY 2020-21 has been estimated as Rs. 113.66 crore based on 6 months actual addition of assets and estimated asset addition for the next 6 months. No infusion of equity has been considered other than equity capital allocated in the Opening Balance Sheets (OBS) of AEGCL. The funding of capitalisation has been considered as Rs. 72.76 crore and Rs. 40.90 crore from Grants and Loan, respectively.

### Commission's Analysis

5.5.2 The scheme-wise capital expenditure was approved by the Commission in the MYT Order dated March 1, 2019. 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.

5.5.3 The Commission in the MYT Order dated March 1, 2019 had approved capitalisation of Rs. 140.00 Crore for FY 2020-21, then in the Tariff Order dated March 7, 2020 had approved capitalization of Rs. 404.09 Crore against which AEGCL has proposed capitalisation of Rs. 113.66 Crore. The Commission understands that AEGCL has not been able to undertake many of its projects due to Coronavirus Pandemic and has been able to capitalize only Rs. 30.36 Crore worth of assets in H1 of FY 2020-21, but the Commission is of the view that recent improved situation may allow AEGCL to capitalize more assets in H2 of FY 2020-21. Hence, the Commission provisionally considers the Capitalisation of Rs. 113.65 submitted by AEGCL for APR of FY 2020-21.

5.5.4 The Commission has accepted the funding of capitalization for FY 2020-21, as

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

proposed by AEGCL, as shown in the following Table:

**Table 35: Funding of capitalised works for FY 2020-21 as considered by the Commission (Rs. Crore)**

<b>Particulars</b>	<b>Approved in T.O. dated 07.03.20</b>	<b>Approved in APR</b>
Grant	339.03	72.76
Equity	0.00	0.00
Debt	65.06	40.90
<b>Total Capitalisation</b>	<b>404.09</b>	<b>113.66</b>

## **5.6 Depreciation**

5.6.1 The Commission had approved the Depreciation of Rs. 29.79 Crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed depreciation of Rs. 46.74 Crore in the APR for FY 2020-21.

5.6.2 AEGCL submitted that it has calculated Depreciation taking into consideration the opening balance of assets and projected capitalisation during FY 2020-21. AEGCL has not considered depreciation on assets created out of Grants.

### **Commission's Analysis**

5.6.3 The Commission has considered the opening GFA for FY 2020-21 equivalent to the closing GFA for FY 2019-20 as approved in this Order. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2018.

5.6.4 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. The Commission has not considered the depreciation on assets funded through grants or capital subsidy, for FY 2020-21.

5.6.5 The depreciation approved in the APR for FY 2020-21 is given in the Table below:

**Table 36: Depreciation approved in APR for FY 2020-21 (Rs. Crore)**

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2018
1	Land owned under full ownership	38.10	-	-	-
2	Land under lease	-	-	3.34%	-
3	Building	50.34	5.67	3.34%	1.21
4	Hydraulic	2.64	-	5.28%	-
5	Other Civil Works	110.63	7.12	3.34%	3.81
6	Plant & Machinery	1,120.65	27.19	5.28%	55.91
7	Lines & Cable Network	1,057.98	67.84	5.28%	36.54
8	Vehicles	4.96	1.50	9.50%	0.15
9	Furniture & Fixtures	4.60	1.83	6.33%	0.24
10	Office Equipment	3.50	2.50	6.33%	0.26
<b>11</b>	<b>Grand Total</b>	<b>2,393.40</b>	<b>113.65</b>		<b>98.11</b>
12	Less: Depreciation for Grants/ Consumer Contribution				62.54
<b>13</b>	<b>Net Total</b>				<b>35.57</b>

**5.6.6 The Commission approves Depreciation of Rs. 35.57 Crore in the APR for FY 2020-21.**

## **5.7 Interest and Finance Charges**

5.7.1 The Commission had approved Interest and Finance Charges of Rs16.40 crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed Interest and finance Charges of Rs. 18.49 Crore for FY 2020-21.

### **Commission's Analysis**

5.7.2 The Commission in the Tariff Order dated March 7, 2020 had approved the normative Interest and Finance Charges of Rs. 16.40 Crore for FY 2020-21 as per Regulation 34 of the MYT Regulations, 2018. The closing net normative loan for FY 2019-20, i.e., Rs 212.62 Crore, has been considered as the net normative loan as on April 1, 2020. 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.

5.7.3 As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on actual outstanding loan as on April 1, 2020. Accordingly, weighted average interest rate has been considered as 10.08% for computation of interest on loan capital.

5.7.4 The Interest on loan capital approved by the Commission in the APR for FY 2020-21 is shown in the following Table:

**Table 37: Approved Interest on loan Capital for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 7.03.20	AEGCL Submission	Approved in APR
1	Net Normative Opening Loan	145.09	196.84	212.62
2	Addition of normative loan during the year	65.06	40.89	40.90
3	Normative Repayment during the year	29.79	46.74	35.57
4	Net Normative Closing Loan	180.36	190.99	217.95
5	Interest Rate	10.08%	9.94%	10.08%
<b>6</b>	<b>Interest Expenses</b>	<b>16.40</b>	<b>18.49</b>	<b>21.70</b>
7	Finance Charges		-	-
<b>8</b>	<b>Total Interest and Finance Charges</b>	<b>16.40</b>	<b>18.49</b>	<b>21.70</b>

5.7.5 The Commission has approved Interest on loan Capital of Rs.21.70 Crore in the APR for FY 2020-21.

## 5.8 Interest on Working Capital (IoWC)

5.8.1 The Commission approved normative IoWC of Rs. 12.39 Crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed normative IoWC of Rs. 11.07 Crore for FY 2020-21.

### Commission's Analysis

5.8.2 The Commission has computed IoWC in accordance with Regulation 36 of the MYT Regulations, 2018. The rate of Interest has been considered equal to the Average SBI MCLR (One-year tenor) prevalent during last available six months plus 300 basis points, i.e., 10.00%. 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 2020-21 in the Tariff Order. Normative IoWC approved by the Commission for FY 2020-21 is shown in the following Table:

**Table 38: loWC for FY 2020-21 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 7.03.20	AEGCL Submission	Approved in APR
1	O&M expenses for 1 month	16.94	17.15	17.12
2	Maintenance spares @ 15% of O&M Expenses	30.49	30.87	30.81
3	Receivables for two months	62.97	62.72	62.97
4	<b>Total Working Capital</b>	<b>110.40</b>	<b>110.74</b>	<b>110.90</b>
5	Rate of Interest	11.22%	10.00%	10.00%
6	<b>Interest on Working Capital</b>	<b>12.39</b>	<b>11.07</b>	<b>11.09</b>

5.8.3 Accordingly, the Commission approves loWC of Rs. 11.09 Crore in the APR for FY 2020-21.

## 5.9 BST for Pension Fund

5.9.1 The Commission had approved BST for Pension fund at 15 paise per unit amounting to Rs. 145.72 Crore for FY 2020-21 in the MYT Order. AEGCL has claimed BST for Pension Fund of Rs. 141.99 Crore as per the estimated energy supplied to APDCL for FY 2020-21.

### Commission's Analysis

5.9.2 The Commission has approved BST for Pension Fund at 15 paise per unit on the energy transmitted to APDCL, as approved in the Tariff Order on APR of APDCL dated March 7, 2020, as shown in the following Table:

**Table 39: Approved BST for Pension Fund for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	AEGCL Submission	Approved in APR
Energy transmitted to APDCL (MU)			8890
<b>BST for Pension Fund</b>	<b>145.72</b>	<b>141.99</b>	<b>133.35</b>

## 5.10 Return on Equity

5.10.1 The Commission approved the RoE of Rs. 15.49 Crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed RoE of Rs. 15.49

Crore for FY 2020-21, calculated at 15.5% as specified in Regulation 33 of the MYT Regulations, 2018.

### Commission's Analysis

5.10.2 The Commission has computed the RoE in accordance with Regulation 33 of the MYT Regulations, 2018. As stated earlier, the Commission has considered zero addition of equity against capitalisation during FY 2020-21. Therefore, the approved RoE at 15.50% is shown in the Table below:

**Table 40: Return on Equity for FY 2020-21 approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 7.03.20	AEGCL Submission	Approved in APR
1	Opening Equity Capital	99.93	99.93	99.93
2	Equity addition during the year	0.00	0.00	0.00
3	Closing Equity	99.93	99.93	99.93
4	Rate of Return on equity	15.50%	15.50%	15.50%
5	<b>Return on Equity</b>	<b>15.49</b>	<b>15.49</b>	<b>15.49</b>

5.10.3 Accordingly, the Commission has approved RoE of Rs 15.49 Crore in APR for FY 2020-21.

## 5.11 Income Tax

5.11.1 AEGCL has not claimed any amount towards Income Tax for FY 2020-21.

### Commission's Analysis

5.11.2 The Commission has not considered any amount 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 2020-21, subject to prudence check.

## 5.12 Other Debits, Prior Period Expenses/(Income), and Incentive

5.12.1 AEGCL has considered Prior Period Income of Rs. 0.67 crore for FY 2020-21. AEGCL has also claimed incentive of Rs. 0.07 crore on projected Availability higher than normative Availability during FY 2020-21.

### **Commission's Analysis**

5.12.2 The Prior Period entries will get crystallised only after finalisation of Accounts for FY 2020-21, 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.

5.12.3 Hence, the Commission has not considered Prior Period Expenses/(Income) and Incentive on Transmission Availability in the APR for FY 2020-21. 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 2020-21, subject to prudence check.

### **5.13 Non-Tariff Income**

5.13.1 The Commission had approved NTI at Rs. 45.26 Crore for FY 2020-21 in the MYT Order dated March 7, 2020. As against this, AEGCL has submitted NTI of Rs. 62.66 Crore for FY 2020-21.

#### **Commission's Analysis**

5.13.2 The Commission has considered all heads of NTI for FY 2020-21 at the same level as the actual NTI in FY 2019-20. The interest on GPF of Rs. 3.23 crore as projected by AEGCL has been reduced from the NTI, in accordance with the approach adopted in the truing up for FY 2019-20. The rebate received from PGCIL in FY 2020-21 has not been considered for FY 2020-21, as the PGCIL no longer raises bills on AEGCL, and is raising bills directly to APDCL, hence, any rebates shall be earned by APDCL and not AEGCL. Similarly, the other Miscellaneous Revenue earned by AEGCL in FY 2020-21, shall accrue to APDCL from FY 2020-21 onwards, as APDCL is paying PGCIL directly, and any set-off shall be available to APDCL rather than AEGCL. The income from Wheeling Charges to Open Access consumers has not been projected and shall be considered at actuals under Revenue from operations, at the time of truing up for FY 2020-21, in accordance with the approach adopted in the truing up for FY 2019-20.

**Table 41: NTI approved by the Commission for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 07.03.20	AEGCL Submission	Approved after Truing up
<b>A</b>	<b>Income from Investment, Fixed &amp; Call Deposits</b>			
	Income from Investments		-	-
	Interest on fixed deposits		53.20	53.20
	Income on other investments (Dividend)		1.25	1.25
	Interest from Banks		0.89	1.45
	Interest on GPF		-3.23	-3.23
	<b>Sub Total</b>		<b>52.10</b>	<b>52.66</b>
<b>B</b>	<b>Other Non-Tariff Income</b>			
	Miscellaneous Receipts		10.37	10.37
	Hire Charges from Contractors/Suppliers/Others		0.06	0.02
	Penalty for contractor/supplier for delay, etc.		-	-
	Sale of Scrap		-	-
	Rebate received from PGCIL		-	-
	Rentals from staff quarters		0.13	0.14
	<b>Sub-Total</b>		<b>10.56</b>	<b>10.53</b>
	<b>Total</b>	<b>45.26</b>	<b>62.66</b>	<b>63.20</b>

5.13.3 Thus, **the Commission has considered NTI of Rs. 63.20 crore in the APR of FY 2020-21.** The actual NTI will be considered at the time of truing up, subject to prudence check.

## **5.14 Revenue from Operations**

5.14.1 AEGCL has considered Revenue of Rs. 377.81 Crore in the APR for FY 2020-21, as approved in the Tariff Order. AEGCL has also estimated revenue of Rs. 10.72 Crore as revenue from Transmission Charges from Open Access Users.

### **Commission's Analysis**

5.14.2 The Commission has considered the Revenue of Rs. 377.81 Crore in the APR for FY 2020-21, as approved in the Tariff Order. The Commission has not considered the estimated income of Rs. 10.72 crore as revenue from transmission charges from Open Access users, which shall be considered in the True Up of FY 2020-21 after audited accounts of FY 2020-21 become available.

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*



## 5.15 ARR after Annual Performance Review of FY 2020-21

5.15.1 Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2020-21 is shown in the following Table:

**Table 42: ARR approved after APR for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order dt. March 7, 2020	Proposed by AEGCL	Approved after APR
1	PGCIL Charges	-	-	-
2	O&M Expenses	203.29	205.82	205.42
a	<i>Employee Cost</i>	<i>172.07</i>	<i>173.95</i>	<i>173.95</i>
b	<i>R&amp;M Expenses</i>	<i>20.94</i>	<i>21.58</i>	<i>21.20</i>
c	<i>A&amp;G Expenses</i>	<i>9.97</i>	<i>9.97</i>	<i>9.97</i>
d	<i>Training Expenses</i>	<i>0.30</i>	<i>0.32</i>	<i>0.30</i>
3	Depreciation	29.79	46.74	35.57
4	Interest & Finance Charges	16.40	18.49	21.70
5	Interest on Working Capital	12.38	11.07	11.09
6	BST for Pension Trust Fund	145.72	141.99	133.35
7	Return on Equity	15.49	15.49	15.49
8	Income Tax	-	-	-
9	Net Prior period Charges/(Credits)		(0.70)	-
10	Less: Non-Tariff Income/Other Income	45.26	62.66	63.20
<b>11</b>	<b>Sub Total</b>	<b>377.81</b>	<b>376.28</b>	<b>359.42</b>
12	Incentive on Higher Availability		0.07	-
<b>13</b>	<b>ARR</b>	<b>377.81</b>	<b>376.35</b>	<b>359.42</b>

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

5.16.1 AEGCL has claimed the Revenue Surplus of Rs. 12.18 Crore after APR for FY 2020-21.

### Commission's Analysis

5.16.2 The Commission has computed the Revenue Gap/(Surplus) arising out of APR for FY 2020-21, as shown in the following Table:

**Table 43: Revenue Gap/(Surplus) after APR for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Proposed by AEGCL	Approved after APR
1	Net ARR	376.35	359.42
2	Revenue with Approved Tariff	388.53	377.81
<b>3</b>	<b>Revenue Gap/(Surplus)</b>	<b>(12.18)</b>	<b>(18.39)</b>

**5.16.3 The APR reveals a surplus of Rs. 18.39 crore for FY 2020-21. It is only indicative, in the absence of Audited Annual Accounts for FY 2020-21. It will be considered during the Truing up process for FY 2020-21, after the Audited Annual Accounts are made available.**

## 6 Revised ARR of AEGCL for FY 2021-22

### 6.1 Introduction

6.1.1 This Chapter deals with the approval of revised ARR of AEGCL for FY 2021-22 in accordance with the provisions of MYT Regulations, 2018.

### 6.2 Transmission Loss

6.2.1 AEGCL has projected the Transmission Loss for FY 2021-22, as detailed in the Table below:

**Table 44: Transmission Losses Projected by AEGCL for FY 2021-22**

Sl. No.	Particulars	FY 2021-22
1	Energy Injected (MU)	10257.00
2	Energy Sent Out to APDCL (MU)	9647.98
3	Energy Sent Out to OA Consumers (MU)	265.00
4	Total Energy Sent Out (MU)	9912.98
4	Transmission Loss (MU)	344.02
5	Transmission Loss (%)	3.35%

### Commission's Analysis

6.2.2 The Commission in the MYT Order dated March 1, 2019, had approved the Transmission Loss of 3.29% for FY 2021-22 as shown in the Table below:

**Table 45: Transmission Losses Approved for FY 2021-22**

Sl. No.	Particulars	FY 2021-22
1	<b>Transmission Loss</b>	3.29%

6.2.3 The Commission observes that the Transmission Loss submitted by AEGCL is higher than the targeted loss level approved in the MYT Order dated March 1, 2019. AEGCL should 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. Further, the Commission has been approving system strengthening capital expenditure schemes proposed by AEGCL, one of the benefits of which is loss reduction. Hence, the Commission approves the

Transmission Loss for FY 2020-21 as 3.29%, as approved in the MYT Order.

### 6.3 Transmission Availability

6.3.1 AEGCL has projected the Transmission Availability of 99.50% for FY 2021-22.

#### Commission's Analysis

6.3.2 Regulation 65 of the MYT Regulations, 2018 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 Regulation 69 of the MYT Regulations, 2018.

6.3.3 The Commission notes that AEGCL has projected Transmission Availability for FY 2021-22 higher than Normative Transmission Availability as specified in MYT Regulations, 2018. The computation of incentive/disincentive on account of Transmission Availability shall be undertaken at the time of truing up for FY 2021-22 in line with the MYT Regulations, 2018.

### 6.4 Operation and Maintenance Expenses

6.4.1 AEGCL submitted that O&M expenses for FY 2021-22 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis in accordance with Regulation 66.9 and 66.10 of the MYT Regulations, 2018. The normative expenses as claimed in the APR for FY 2020-21 have been considered as the base expenses. The average WPI and CPI have been considered as 2.96% and 5.35%, respectively. The normative O&M expenses submitted by AEGCL for FY 2021-22 are shown in the Table below:

**Table 46: Normative O&M Expenses Projected by AEGCL for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dated 01.03.19	AEGCL Submission
1	<b>O&amp;M Expenses</b>	<b>209.41</b>	<b>219.95</b>
a	Employee Expenses	179.02	185.10
b	R&M Expenses	20.07	24.19
c	A&G Expenses	9.92	10.26
2	Training Expenses	0.40	0.40

6.4.2 AEGCL has also submitted the revised estimates of each component of O&M AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22

expenses for FY 2021-22. The claim of AEGCL under various heads of O&M expenses is discussed below.

### **Employee Expenses**

- 6.4.3 AEGCL submitted that the employee cost of FY 2021-22 has been computed considering the employee cost on account of Revision of Pay. Employee expenses include salaries, bonus, other benefits like medical expense reimbursement, LTA, revision of pay, etc., and terminal benefits in the form of pension, gratuity, leave encashment, staff welfare, etc. AEGCL has projected the head-wise employee expenses such that the total employee expenses are in line with the projected normative employee expenses of Rs. 185.10 crore for FY 2021-22.

### **R&M Expenses**

- 6.4.4 AEGCL submitted that the R&M expenses are directly related to number of the substations and lines, age of the assets, and its wear and tear during the period. R&M expenses are generally incurred in order to ensure the maintenance of the transmission lines/systems. AEGCL has projected the head-wise R&M expenses such that the total R&M expenses are in line with the projected R&M expenses of Rs. 24.19 crore for FY 2021-22.

### **A&G Expenses**

- 6.4.5 AEGCL submitted that the AEGCL is presently in expansionary mode, and the asset base of AEGCL is expected to increase by FY 2021-22 with the increase in transmission lines and establishment of many substations as compared to current situation. With the future expansion of network, servicing new areas and offices to cater to the new areas, and investment in upgradation of technology, various components of A&G expenses such as insurance, technical fees, licence and Registration fees, vehicle expenses, electricity and water charges to office and various other incidental and miscellaneous expenses shall increase accordingly. AEGCL has projected the head-wise A&G expenses such that the total A&G expenses are in line with the projected normative A&G expenses of Rs. 10.26 crore for FY 2021-22.

### **Expenses towards Training and Capacity Building**

- 6.4.6 AEGCL submitted that rigorous training is carried out at regular intervals at different levels, which is effective and necessary for the employees. Technical programs such as "Breakdown Analysis & Remedies of Electrical Equipment", "Energy Efficiency in Electrical Utilities", "Power System Protection", etc., is expected to be conducted by NTPC, PSTI (Bangalore), AIPM (CESC-Kolkata) and others. The training on different

aspects of regulatory affairs and current Regulations of CERC/SERC are being provided by NTPC whereas training on “Transformers for Operation, Maintenance and Testing” is expected by TICI (Mumbai).

6.4.7 AEGCL estimated the cost of the Training Workshops as Rs. 0.40 Crore and requested the Commission to allow the Training and Capacity Building expenses.

#### **Commission’s Analysis**

6.4.8 The Commission has computed the normative O&M Expenses for FY 2021-22 in accordance with Regulation 66.6 of MYT Regulations, 2018. 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, 2018 at the time of truing up for FY 2021-22.

#### **Employee Expenses**

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

- a) The normative employee expenses for FY 2020-21 have been considered as base expenses;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2017-18 to FY 2019-20, which works out to 5.35%;
- c) Considering the projected expansion of transmission network and projected increase in number of employees over the Control Period, growth factor of 1% has been considered, as approved in the MYT Order.

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

**Table 47: Revised Approved Employee Expenses for FY 2021-22 (Rs. Crore)**

<b>Particulars</b>	<b>Approved in MYT order dated 01.03.19</b>	<b>AEGCL Submission</b>	<b>Approved by Commission</b>
Base Employee Expenses for the previous year	170.81	173.95	173.95
CPI Inflation	3.77%	5.35%	5.35%
Growth factor	1.00%	1.00%	1.00%
<b>Normative Employee Expenses</b>	<b>179.02</b>	<b>185.10</b>	<b>185.10</b>

## R&M Expenses

6.4.11 For computation of R&M Expenses for the Control Period, the Commission has considered the following approach:

- a) WPI inflation has been computed as average increase of WPI for the period from FY 2017-18 to FY 2019-20, which works out to 2.96%;
- b) K-factor has been considered as 0.96% as approved in the MYT Order dated March 1, 2019;
- c) Since K-factor has been computed on the basis of average GFA for projection of R&M expenses for the Control Period, average GFA for the previous year has been considered;
- d) As the AMC of SCADA/EMS has been allowed under SLDC, the same has been deducted from AEGCL's normative R&M expenses.

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

**Table 48: Revised Approved R&M Expenses for FY 2021-22 (Rs. Crore)**

Particulars	Approved in MYT Order dated 01.03.19	AEGCL Submission	Approved by Commission
Opening GFA for previous year	1957.49	2,393.41	2,393.40
Closing GFA for previous year	2097.49	2,502.05	2,507.05
Average GFA for previous year	2027.49	2,447.73	2,450.22
K Factor	0.96%	0.96%	0.96%
WPI Inflation	3.00%	2.96%	2.96%
<b>R&amp;M Expenses</b>	<b>20.07</b>	<b>24.19</b>	<b>24.22</b>
<b>Less: AMC of SCADA/EMS transferred to SLDC</b>	-	-	<b>0.38</b>
<b>Revised Normative R&amp;M Expenses</b>	<b>20.07</b>	<b>24.19</b>	<b>23.84</b>

## A&G Expenses

6.4.13 For computation of A&G expenses for the Control Period, the Commission has adopted the following approach:

- a) The A&G expenses approved after APR for FY 2020-21 have been considered as base expenses;
- b) WPI inflation has been computed as average increase of WPI for period from FY 2017-18 to FY 2019-20 which works out to 2.96%.

6.4.14 The approved A&G expenses for the Control Period are shown in the following Table:

**Table 49: Revised Approved A&G Expenses for FY 2021-22 (Rs. Crore)**

Particulars	Approved in MYT Order dated 01.03.19	AEGCL Submission	Approved by Commission
A&G Expenses for Previous Year	9.63	9.97	9.97
WPI Inflation	3.00%	2.96%	2.96%
<b>A&amp;G Expenses</b>	<b>9.92</b>	<b>10.26</b>	<b>10.26</b>

6.4.15 As regards the Training Expenses, the Commission in the MYT Order dated March 1, 2019 had approved additional amount of Rs. 0.40 Crore as training expenses for AEGCL for FY 2021-22 and retains this amount in the revised ARR for FY 2021-22. Balance requirement for training expenses should be met from the normative O&M expenses.

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

**Table 50: Revised Normative O&M Expenses approved by the Commission for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 1.03.19	AEGCL Submission	Approved by Commission
<b>1</b>	<b>O&amp;M Expenses</b>	<b>209.41</b>	<b>219.95</b>	<b>219.59</b>
a	Employee Expenses	179.02	185.10	185.10
b	R&M Expenses	20.07	24.19	23.84
c	A&G Expenses	9.92	10.26	10.26
<b>2</b>	<b>Training Expenses</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>

6.4.17 Thus, the Commission approves the revised normative O&M expenses for FY 2021-22 as Rs. 219.59 crore.

## 6.5 Capitalisation

6.5.1 The Commission had approved capitalisation of Rs. 140 Crore for FY 2021-22 in the MYT Order dated March 1, 2019. AEGCL has projected revised capitalisation of Rs. 1073.92 crore in its Petition. AEGCL submitted that funding of capitalization is envisaged through grant, and loan, as shown in the following Table:



**Table 51: Capitalisation and Funding submitted by AEGCL (Rs. Crore)**

Particulars	Approved in MYT Order dt. 1.03.19	AEGCL Submission
Capitalisation	140.00	1073.92
<b>Funding of Capitalisation</b>		
Grant	96.28	952.08
Equity	0.00	0.00
Debt	43.72	121.84

**Commission's Analysis**

- 6.5.2 The Commission has considered the revised Capitalisation for FY 2021-22 as Rs. 682.73 crore. The Commission has considered the projects that have very high chance of being capitalized in FY 2021-22, which works out to Rs.682.73 Crore, against the NERPSIP Scheme. The Commission has considered the grant to debt ratio as submitted by AEGCL. This is in line with the approach the Commission had undertaken in previous years.
- 6.5.3 The funding of capitalisation for FY 2021-22 as approved by the Commission is shown in the following Table:

**Table 52: Funding of Capitalisation approved by the Commission for FY 2021-22  
(Rs. Crore)**

Particulars	Approved in MYT Order dt. 01.03.19	AEGCL Submission	Approved by the Commission
Grant/Consumer Contribution	96.28	952.08	605.27
Equity	0.00	0.00	-
Debt	43.72	121.84	77.46
<b>Total Capitalisation</b>	<b>140.00</b>	<b>1073.92</b>	<b>682.73</b>

**6.6 Depreciation**

- 6.6.1 AEGCL submitted that depreciation has been computed for the Control Period in accordance with the MYT Regulations, 2018. Depreciation has been calculated taking into consideration the opening balance of assets at the beginning of the year and the

provisional capitalization. The closing GFA for FY 2020-21 has been considered as the opening GFA for FY 2021-22. As specified in Regulation 32 of the MYT Regulations, 2018, depreciation is calculated on Straight Line Method (SLM) considering depreciation on opening GFA to the extent of 90% of the Asset Value. The depreciation of assets created through Grants has been reduced before arriving at Net depreciation.

6.6.2 AEGCL submitted that the GFA of SLDC has been segregated from AEGCL GFA and is filed separately under SLDC's Tariff Petition for the Control Period. AEGCL claimed depreciation of Rs. 63.13 Crore for FY 2021-22.

### Commission's Analysis

6.6.3 For computation of depreciation, the Commission has considered the closing GFA for FY 2020-21 as approved in this Order as the Opening GFA for FY 2021-22. The capitalisation approved for FY 2021-22 has been considered as asset addition during the year. The Commission has considered the scheduled depreciation rates as specified in MYT Regulations, 2018.

6.6.4 In accordance with Regulation 32.1 of the MYT Regulations, 2018, 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.

6.6.5 In view of the above, the Commission has approved depreciation for FY 2021-22 as per MYT Regulations, 2018, as given in the Tables below:

**Table 53: Depreciation approved for FY 2021-22 (Rs. Crore)**

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
1	Land & Rights	38.10	-		-
	Land under lease	-	-		-
2	Building	56.01	6.02	3.34%	1.41
3	Hydraulic	2.64	-	5.28%	-
4	Other Civil Works	117.75	29.82	3.34%	4.43
5	Plant & Machinery	1,147.84	455.93	5.28%	68.66
6	Lines & Cable Network	1,125.82	189.69	5.28%	43.34
7	Vehicles	6.46	-	9.50%	0.22
8	Furniture & Fixtures	6.43	0.64	6.33%	0.31
9	Office Equipment	6.00	0.64	6.33%	0.35

Sl.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation Approved
10	Grand Total	2,507.05	682.73		118.72
11	Asset excluding Land				
12	Less: Depreciation for Grants/ Consumer Contribution				82.75
13	<b>Net Depreciation</b>				<b>35.97</b>

6.6.6 Thus, the Commission approves depreciation for FY 2021-22 as Rs.35.97 crore.

## 6.7 Interest on Loan Capital

6.7.1 AEGCL has considered the closing net normative loan for FY 2020-21 as per its submissions, as the opening net normative loan for FY 2021-22. AEGCL submitted that Opening Balance of GoA Loan for FY 2021-22 amounts to Rs. 504.33 Crore. The loan addition during FY 2021-22 is considered as per the Capex funding plan. The rate of Interest computed based on the actual loan portfolio for FY 2021-22 is 9.96%.

6.7.2 Accordingly, AEGCL has projected the Interest and Finance Charges for FY 2021-22 as Rs. 21.94 crore.

### Commission's Analysis

6.7.3 The Commission has considered the opening net normative loan as on April 1, 2020 as Rs 217.95 Crore, equal to the closing net normative loan after APR of FY 2020-21. 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.

6.7.4 The weighted average rate of Interest for FY 2021-22 has been considered as 10.08%, equal to the interest rate considered for FY 2020-21. The interest on loan capital as approved by the Commission for FY 2021-22 is shown in the following Table:

**Table 54: Approved Interest on Loan for the Control Period (Rs. Crore)**

Particulars	Approved in MYT Order dt. 01.03.19	AEGCL Submission	Approved by the Commission
Net Normative Opening Loan	83.84	190.99	217.95
Addition of normative loan during the year	43.72	121.84	77.46
Normative Repayment during the year	28.41	63.13	35.97
Net Normative Closing Loan	99.14	249.70	259.44
Interest Rate	9.87%	9.96%	10.08%
<b>Interest Expenses</b>	<b>9.03</b>	<b>21.94</b>	<b>24.06</b>

6.7.5 Thus, the Commission approves interest expenses for FY 2021-22 as Rs. 24.06 crore.

## 6.8 Return on Equity

6.8.1 AEGCL submitted that RoE has been computed at the rate of 15.50% as specified in Regulation 33 of MYT Regulations, 2018, on the opening equity and normative addition of equity during the year. Accordingly, AEGCL has projected the RoE as Rs. 15.49 crore for FY 2021-22.

### Commission's Analysis

6.8.2 The Commission has approved the RoE in accordance with Regulation 33 of the MYT Regulations, 2018. As discussed earlier, the Commission has not considered any addition of equity during the Period. Therefore, the approved RoE at 15.50% is shown in the Table below:

**Table 55: Return on Equity approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	AEGCL Submission	Approved by the Commission
1	Opening Equity Capital	99.93	99.93	99.93
2	Equity addition during the year	-	0.00	-
3	Closing Equity	99.93	99.93	99.93
4	Rate of Return on equity	15.50%	15.50%	15.50%
5	<b>Return on Equity</b>	<b>15.49</b>	<b>15.49</b>	<b>15.49</b>

## 6.9 Interest on Working Capital

6.9.1 AEGCL submitted that the normative IoWC has been computed in accordance with the MYT Regulations, 2018. The rate of interest provided on the working capital is the normative interest rate of 300 basis points above the average SBI MCLR (one-year tenor) prevalent during last available six months. Accordingly, AEGCL has projected the IoWC as Rs. 12.26 crore for FY 2021-22.

### Commission's Analysis

6.9.2 The Commission has computed the normative IoWC in accordance with the MYT Regulations, 2018. The rate of Interest has been considered equal to SBI MCLR (One-Year Tenor) prevalent during last 6 months plus 300 basis points, i.e., 10.00%. IoWC approved by the Commission for FY 2021-22 is shown in the following Table:

**Table 56: IoWC approved by the Commission for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	AEGCL Submission	Approved by the Commission
1	O&M expenses for 1 month	17.45	18.33	18.30
2	Maintenance spares @ 15% of O&M Expenses	31.41	32.99	32.94
3	Receivables for two months	67.15	71.30	59.40
4	Total Working Capital	116.02	122.62	110.63
5	Rate of Interest	11.47%	10.00%	10.00%
6	<b>Interest on Working Capital</b>	<b>13.30</b>	<b>12.26</b>	<b>11.06</b>

## 6.10 Income Tax

6.10.1 AEGCL submitted that as per MYT Regulations, 2018, Income Tax shall be reimbursed to the Transmission Licenses as per actual Income Tax paid, based on the documentary evidence submitted at the time of truing up of each year.

### Commission's Analysis

6.10.2 The Commission has not considered any amount towards Income Tax. The actual Income Tax paid shall be considered based on the documentary evidence submitted

at the time of truing up for FY 2021-22, subject to prudence check.

## 6.11 BST for Pension Fund

6.11.1 AEGCL submitted that the special charges on account of Bulk Supply Tariff have been computed considering the prevailing Bulk Supply Tariff of 15 paise per unit of energy. Accordingly, the Special Charges for FY 2021-22 are tabulated below:

**Table 57: Special Charges - BST for FY 2021-22 as projected by AEGCL (Rs Crore)**

Particulars	Approved in MYT Order dt. 01.03.19	AEGCL Submission in Petition	AEGCL Submission in Reply to data gaps dt. 10.12.20
Special Charges on Bulk Supply Tariff	158.16	158.15	144.72

### Commission's Analysis

6.11.2 The Commission approves BST for Pension Fund at 15 Paise per unit on the energy transmitted to APDCL, as approved in MYT Order of AEGCL, as shown in the following Table:

**Table 58: BST for Pension Fund as approved by the Commission (Rs. Crore)**

Particulars	Approved in MYT Order dt. 1.03.19	AEGCL Submission	Approved by the Commission
Energy transmitted to APDCL (MU)			9,776
<b>BST for Pension Fund</b>	<b>158.16</b>	<b>144.72</b>	<b>146.64</b>

6.11.3 Further, in APDCL's Tariff Order dated February 15, 2021 in Petition Nos. 17, 18 & 19/2020, the Commission has allowed additional RoE on account of conversion of Grant to Equity in accordance with the decision of Government of Assam. This additional RoE allowed by the Commission to APDCL may be considered for transfer to the Pension Fund. In this regard, the minutes of meeting of PIB circulated vide letter no P.E/77/2015/234 dated 25th September, 2018 may be referred.

## 6.12 Non-Tariff Income

6.12.1 AEGCL has projected the NTI for FY 2021-22 as Rs. 63.14 crore. AEGCL submitted that since, the Transmission Charges to PGCIL shall henceforth, be paid by APDCL, no PGCIL rebate has been considered under NTI for FY 2021-22.

### Commission's Analysis

6.12.1 The Commission has considered all heads of NTI for FY 2021-22 at the same level as that considered in the APR of FY 2020-21. The interest on GPF of Rs. 2.74 crore as projected by AEGCL has been reduced from the NTI, in accordance with the approach adopted in the truing up for FY 2019-20.

**Table 59: NTI approved by the Commission for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dtd 01.03.19	AEGCL Submission	Approved after Truing up
<b>A</b>	<b>Income from Investment, Fixed &amp; Call Deposits</b>			
	Income from Investments		-	-
	Interest on fixed deposits		53.20	53.20
	Income on other investments (Dividend)		1.25	1.25
	Interest from Banks		0.89	1.45
	Interest on GPF		-2.70	-2.70
	<b>Sub Total</b>		<b>52.64</b>	<b>53.20</b>
<b>B</b>	<b>Other Non-Tariff Income</b>			
	Miscellaneous Receipts		10.37	10.37
	Hire Charges from Contractors/Suppliers/Others		-	0.02
	Penalty for contractor/supplier for delay, etc.		-	-
	Sale of Scrap		-	-
	Rebate received from PGCIL		-	-
	Rentals from staff quarters		0.13	0.14
	<b>Sub-Total</b>		<b>10.50</b>	<b>10.53</b>
	<b>Total</b>	<b>30.88</b>	<b>63.14</b>	<b>63.73</b>

6.12.2 The Commission approves the Non-Tariff Income of Rs. 63.73 Crore for FY 2021-22. The actual NTI shall be considered at the time of truing up for each year, after prudence check.

### 6.13 Summary of ARR for FY 2021-22

6.13.1 The summary of Revised ARR for FY 2021-22 as submitted by AEGCL and as approved by the Commission is given in the Table below:

**Table 60: Revised ARR for FY 2021-22 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt.01.03.19	AEGCL Submission in reply to Data Gaps dt. 10.12.20	Approved by the Commission
1	PGCIL Charges	-	-	-
2	O&M Expenses	209.41	219.95	219.59
2.1	<i>Employee Cost</i>	<i>179.02</i>	<i>185.10</i>	<i>185.10</i>
2.2	<i>R&amp;M Expenses</i>	<i>20.07</i>	<i>24.19</i>	<i>23.84</i>
2.3	<i>A&amp;G Expenses</i>	<i>9.92</i>	<i>10.26</i>	<i>10.26</i>
3	Training Expenses	0.40	0.40	0.40
4	Depreciation	28.41	63.13	35.97
5	Interest & Finance Charges	9.03	21.94	24.06
6	Interest on Working Capital	13.30	12.03	11.06
7	BST for Pension Trust Fund	158.16	144.72	146.64
8	Return on Equity	15.49	15.49	15.49
9	Income Tax	-	-	-
10	Less: Non-Tariff Income/ Other Income	30.88	63.14	63.73
11	<b>Aggregate Revenue Requirement</b>	<b>402.92</b>	<b>414.13</b>	<b>389.09</b>

6.13.2 Thus, the Commission approves the ARR of Rs. 389.09 crore for FY 2021-22, as compared to the ARR of Rs. 414.13 crore projected by AEGCL.



## 7 Truing up of SLDC for FY 2019-20

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### 7.1 Methodology for Truing Up

- 7.1.1 The Commission had approved the ARR and Tariff for SLDC for FY 2019-20 in the MYT Order dated March 1, 2019.
- 7.1.2 AEGCL submitted the Truing-up Petition of SLDC for FY 2019-20 based on audited annual accounts, allocation of expenses and revenue between AEGCL Transmission and SLDC, and provisions of MYT Regulations, 2018, wherever applicable. AEGCL has sought true-up for FY 2019-20 with the Revenue Gap/(Surplus) to be recovered/(adjusted) during FY 2021-22.
- 7.1.3 The Commission approves the relevant 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.
- 7.1.4 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.
- 7.1.5 The Commission analyses the actual expenditure for the previous year 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.
- 7.1.6 In the present Chapter, the Commission has carried out the Truing up of SLDC for FY 2019-20 based on the submissions of AEGCL, audited annual accounts for FY 2019-20, allocation of expenses and revenue between Transmission and SLDC, and provisions of MYT Regulations, 2018. The Commission has approved the sharing of gains and losses on account of controllable factors between SLDC and its beneficiaries, in accordance with Regulation 12 of the MYT Regulations, 2018.

## **7.2 O&M Expenses**

7.2.1 AEGCL submitted the O&M expenses of SLDC for FY 2019-20 comprising following heads:

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

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

### **7.2.2 Employee Expenses**

SLDC 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. SLDC has claimed Rs. 3.59 Crore towards employee expenses for FY 2019-20, as against employee expenses of Rs. 3.29 crore approved in the MYT Order dated March 1, 2019.

### **7.2.3 Repairs and Maintenance (R&M) Expenses**

SLDC submitted that it has been carrying out R&M activities to maintain the assets in a more efficient way. SLDC has claimed R&M expenses of Rs. 0.43 Crore for FY 2019-20, as against R&M expenses of Rs. 0.38 Crore approved in the MYT Order dated March 1, 2019.

### **7.2.4 Administrative and General (A&G) expenses**

SLDC submitted that Administrative expenses mainly comprise rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, other charges.

SLDC has claimed A&G expenses of Rs. 0.32 Crore for FY 2019-20, as against A&G expenses of Rs.0.44 Crore approved in the MYT Order dated March 1, 2019.

### **7.2.5 Expenses towards Training and Capacity Building**

SLDC submitted that on account of technological changes, training of manpower is required in order to achieve operational effectiveness along with the accident-free workplace. SLDC desires to conduct technology and safety training workshops at regular intervals for awareness of new technology and adapting to better working

conditions to reduce accidents.

- 7.2.6 SLDC submitted that due to shortage of manpower in control room shift, officers could not be spared for training. SLDC incurred Rs. 0.03 crore in FY 2019-20 against the approved amount of Rs. 0.25 crore.

### Commission's Analysis

- 7.2.7 The O&M Expenses for FY 2019-20 were allowed on normative basis in the MYT Order in accordance with Regulation 103 of the MYT Regulations, 2018. SLDC has claimed the normative O&M expenses as per the formula specified in the MYT Regulations, 2018, as shown in the Table below:

**Table 61: Normative O&M Expenses for FY 2019-20 as submitted by SLDC**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission
	<b>O&amp;M Expenses</b>	<b>4.36</b>	<b>4.32</b>
a	Employee Cost	3.29	3.54
b	R&M Expenses	0.38	0.43
c	A&G Expenses	0.44	0.32
d	Training Expenses	0.25	0.03

- 7.2.8 For the purpose of truing up for FY 2019-20, the Commission has computed the O&M Expenses on normative basis as per Regulation 103 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

- 7.2.9 For computation of normative employee expenses for FY 2019-20, the Commission has adopted the following approach:
- The normative employee expenses approved for SLDC in MYT Order dated March 7, 2020 have been considered as base expenses for FY 2019-20;
  - CPI inflation has been computed as average increase of CPI for the period from FY 2016-17 to FY 2018-19, which works out to 4.22%;
  - The growth factor of 1.00% has been considered as per the MYT Order.

7.2.10 The normative employee expenses approved in the true-up for FY 2019-20 are shown in the following Table:

**Table 62: Approved Employee Expenses for FY 2019-20 (Rs. Crore)**

Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved by the Commission
Base Employee Cost (n-1)		2.41	2.41
CPI Inflation		4.22%	4.22%
Gn (Growth Factor for n <sup>th</sup> Year)		1.00%	1.00%
<b>Normative Employee Cost for FY 2019-20 (Excl. ROP)</b>		2.54	2.54
ROP arrears		1.00	1.00
<b>Normative Employee Expenses for SLDC including ROP Arrears</b>	<b>3.29</b>	<b>3.54</b>	<b>3.54</b>

### R&M Expenses

7.2.11 For computation of R&M Expenses for FY 2019-20, the Commission has considered the following approach:

- WPI inflation has been computed as average increase of WPI index for the period from FY 2016-17 to FY 2018-19, which works out to 2.97%;
- The K-factor for the Control Period has been approved as 0.96%, and the same K-factor has been considered for computation of normative R&M Expenses for FY 2018-19.

7.2.12 The normative R&M expenses approved in the true-up for FY 2019-20 is shown in the following Table:

**Table 63: Approved R&M Expenses for FY 2019-20 (Rs. Crore)**

Sl. No	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved by the Commission
1	Opening GFA for previous year		5.006	5.006
2	Closing GFA for previous year		5.026	5.006
3	<b>Average GFA for previous year</b>		<b>5.016</b>	<b>5.006</b>

Sl. No	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved by the Commission
4	K Factor		0.96%	0.96%
5	WPI Inflation		2.98%	2.97%
6	<b>Normative R&amp;M Expenses</b>		<b>0.050</b>	<b>0.049</b>
7	AMC Cost of SCADA/EMS		0.382	0.382
9	<b>Normative R&amp;M Expenses</b>	<b>0.38</b>	<b>0.432</b>	<b>0.432</b>

### A&G Expenses

7.2.13 For computation of A&G expenses for FY 2019-20, the Commission has adopted the following approach:

- The normative A&G expenses approved for SLDC in Tariff Order dated March 07, 2020 have been considered as base expenses for computation of normative A&G expenses for FY 2019-20;
- WPI inflation has been computed as average increase of WPI index for period from FY 2016-17 to FY 2018-19, which works out to 2.97%.

7.2.14 The normative A&G expenses approved in the true-up for FY 2019-20 is shown in the following Table:

**Table 64: Approved A&G Expenses for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved by the Commission
1	A&G Expenses for Previous year		0.31	0.31
2	WPI Inflation		2.98%	2.97%
3	<b>Normative A&amp;G Expenses for the year</b>	<b>0.44</b>	<b>0.32</b>	<b>0.32</b>

7.2.15 As regards Training Expenses, the Commission has approved the actual amount of Rs. 0.03 Crore incurred towards training expenses for SLDC for FY 2019-20.

7.2.16 The normative O&M expenses approved by the Commission for FY 2019-20 are

*AEGL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

shown in the following Table:

**Table 65: Normative O&M Expenses approved by Commission for SLDC for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	MYT Order	SLDC Submission	Approved after Truing up
1	Employee Expenses	3.29	3.54	3.54
2	R&M Expenses	0.38	0.43	0.43
3	A&G Expenses	0.44	0.32	0.32
4	Training Expenses	0.25	0.03	0.03
<b>Total</b>		<b>4.36</b>	<b>4.32</b>	<b>4.32</b>

7.2.17 Further, Regulation 10.2 of the 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 factor. 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.

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

**Table 66: Sharing of gains/(losses) for O&M Expenses for FY 2019-20 (Rs. Crore)**

Sl. 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	4.68	3.54	(1.15)	-
2	Less: Terminal Liabilities	0.26	0.26	-	
3	Employee Cost excluding Terminal Liabilities	4.42	3.28	(1.15)	(0.38)
4	R&M Expenses	0.54	0.43	(0.10)	(0.03)
5	A&G Expenses	0.52	0.32	(0.21)	(0.07)
<b>Total (A)</b>		<b>5.48</b>	<b>4.03</b>	<b>(1.45)</b>	<b>(0.48)</b>

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

7.3.1 Normative O&M expenses are lower than actual expenses; the loss of Rs. 0.48 Crore has been shared and passed on through the ARR.

## 7.4 Capitalisation

7.4.1 AEGCL submitted the actual Capitalisation for SLDC for FY 2019-20 as shown in the following Table:

**Table 67: Actual Capitalisation as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order	Actual
1.	Capitalisation	0.870	0.107

7.4.2 AEGCL submitted that all new addition of assets is created by funding from loan. The funding of capitalisation as submitted by AEGCL is shown in the following Table:

**Table 68: Funding of Capitalisation for FY 2019-20 as submitted by AEGCL (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission
1	Grant	0.00	0.00
2	Equity	-	-
3	Debt	0.870	0.107
4	<b>Total Capitalisation</b>	<b>0.870</b>	<b>0.107</b>

### Commission's Analysis

7.4.3 The scheme-wise capital expenditure was approved by the Commission in the MYT Order dated March 1, 2019. In the MYT Order, the Commission had approved capital expenditure and capitalisation based on information regarding latest status of works of SLDC.

7.4.4 The Commission in the MYT Order dated March 1, 2019 had approved capitalisation of Rs. 0.870 Crore for FY 2019-20, against which SLDC has proposed capitalisation of Rs. 0.107 Crore. For the purpose of truing up, the Commission has considered the actual capitalisation for FY 2019-20 based on the audited accounts. As regards the funding of capitalisation, the Commission has considered the actual funding as submitted by AEGCL.

7.4.5 In view of the above, the Capitalisation and its funding as approved by the AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22

Commission in the true-up for FY 2019-20 is shown in the following Table:

**Table 69: Capital Expenditure and Capitalisation for FY 2019-20 approved by Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved after Truing up
1	Capitalisation	0.870	0.107	0.107
	<b>Funding of Capitalisation</b>			
2	Grant	-	-	-
3	Equity	-	-	-
4	Debt	0.870	0.107	0.107
<b>5</b>	<b>Total</b>	<b>0.870</b>	<b>0.107</b>	<b>0.107</b>

## 7.5 Depreciation

7.5.1 The Commission had approved the Depreciation of Rs. 0.07 Crore for FY 2019-20 in the Order dated March 07, 2020. As against this, AEGCL has claimed depreciation of Rs. 0.06 Crore in the purpose of True-up for FY 2019-20.

### Commission's Analysis

7.5.2 The Commission has considered the opening GFA for FY 2019-20 as per the closing GFA value approved for FY 2018-19 vide the Tariff Order dated March 7, 2020. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2018.

7.5.3 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 the 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.

7.5.4 In line with the approach adopted in the previous Orders and as specified in Regulation 32 of the MYT Regulations, 2018, the Commission has not considered the depreciation on assets funded through grants or capital subsidy, for FY 2019-20.



7.5.5 The depreciation approved in the truing up for FY 2019-20 is given in the Table below:

**Table 70: Depreciation approved for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2015
1	Land owned under full ownership	-	-	-	-
	Land under lease	-	-	3.34%	-
2	Building	0.35	-	3.34%	-
3	Hydraulic	-	-	5.28%	-
4	Other Civil Works	-	-	3.34%	-
5	Plant & Machinery	4.59	-	5.28%	0.24
6	Lines & Cable Net work	-	0.07	5.28%	0.00
7	Vehicles	-	-	9.50%	-
8	Furniture & Fixtures	0.02	0.00	6.33%	0.001
9	Office Equipment	0.05	0.04	6.33%	0.004
10	<b>Grand Total</b>	<b>5.006</b>	<b>0.107</b>		<b>0.250</b>
14	Less: Depreciation for Grants/ Consumer Contribution				0.19
15	<b>Net Total</b>				<b>0.06</b>

7.5.6 The Commission accordingly approves Depreciation of Rs. 0.06 Crore for FY 2019-20 after truing up.

## 7.6 Interest and Finance Charges

7.6.1 The Commission had approved Interest and Finance Charges of Rs. 0.08 Crore for FY 2019-20 in the Approved in Revised T.O. dated 25.06.19. As against this, AEGCL has claimed Interest and finance charges of Rs. 0.05 Crore for FY 2019-20 based on Audited Accounts.

### Commission's Analysis

7.6.2 The Commission has approved Interest on loan capital for FY 2019-20 on normative basis in accordance with Regulation 34 of the MYT Regulations, 2018.

7.6.3 Accordingly, the Commission has considered the opening net normative loan as submitted by SLDC as on April 1, 2019 as Rs. 0.46 Crore. The addition of loan has

been considered equal to debt portion of capitalised works as submitted by AEGCL in this Order. The loan repayment has been considered equivalent to depreciation approved in this Order. The approved addition of normative loan during FY 2019-20 and normative repayment during FY 2019-20 are thus, considered as Rs.0.11 crore and Rs. 0.06 crore, respectively. After computation, the net normative closing loan works out to Rs. 0.51 Crore for FY 2019-20.

7.6.4 As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on outstanding loan as on April 1, 2019. SLDC submitted that the interest on the loans has been computed @10.08% as approved by the Commission vide Tariff Order dated 7 March, 2020. Upon enquiry of the actual loan portfolio of SLDC, AEGCL replied that AEGCL internally funds the SLDC from its own Debt. The Commission has hence, considered the weighted average rate of interest of AEGCL, for computing the interest expenses of AEGCL. Thus, the weighted average interest rate has been computed as 10.08% for computation of interest on loan capital.

7.6.5 The Commission directs SLDC to make its own funding by making its own loan portfolio to fund Capital Expenditure.

7.6.6 The Interest on loan capital approved by the Commission after truing up for FY2019-20 is shown in the following Table:

**Table 71: Approved Interest on loan Capital for FY 2019-20 (Rs. Crore)**

Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved after Truing up
Net Normative Opening Loan		0.46	0.46
Addition of normative loan during the year		0.11	0.11
Normative Repayment during the year		0.06	0.06
Net Normative Closing Loan		0.52	0.51
Interest Rate		10.08%	10.08%
Interest Expenses on Loan		<b>0.05</b>	<b>0.05</b>
Finance Charges		-	
<b>Total Interest and Finance Charges</b>	<b>0.08</b>	<b>0.05</b>	<b>0.05</b>

7.6.7 **The Commission approves Interest on loan as Rs 0.05 Crore in the truing up for FY 2019-20.**

## 7.7 Return on Equity

7.7.1 AEGCL has claimed the Return on Equity as NIL for FY 2019-20. AEGCL has considered Nil addition of equity during FY 2019-20.

### Commission's Analysis

7.7.2 The Commission has approved the Return on Equity in accordance with Regulation 33 of 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 72: Return on Equity approved by the Commission for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved after Truing up
1	Equity (Opening Balance)		-	-
2	Net additions during the year		-	-
3	Less: Reduction during the year		-	-
4	<b>Equity (Closing Balance)</b>		-	-
5	<b>Average Equity</b>		-	-
6	Rate of Return on Equity		<b>15.50%</b>	<b>15.50%</b>
7	<b>Return on Equity</b>	-	-	-

7.7.3 **The Commission approves the Return on Equity as NIL for FY 2019-20 after Truing up.**

## 7.8 Interest on Working Capital (IoWC)

7.8.1 The Commission had approved normative IoWC of Rs. 0.19 crore in the MYT Order dated March 01, 2019. SLDC submitted that IoWC has been calculated on normative basis as per the provisions of MYT Regulations, 2018. The rate of interest is the average of SBI MCLR rate as on April 1, 2019 plus 300 basis points. SLDC has claimed IoWC of Rs. 0.19 Crore for FY 2019-20 for Truing up, as shown in the following Table:

**Table 73: Interest on Working Capital as submitted by AEGCL for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission
1	O&M expenses for 1 month		0.36
2	Maintenance spares @ 15% of O&M expenses		0.65
3	Receivables for two months		0.70
4	<b>Total Working Capital</b>		1.70
5	Rate of Interest		11.14%
6	<b>Interest on Working Capital</b>	<b>0.19</b>	<b>0.19</b>

### Commission's Analysis

7.8.2 The Commission has computed normative IoWC in accordance with Regulation 36 of the MYT Regulations, 2018. The rate of Interest has been considered equal to SBI MCLR (One-Year Tenor) prevalent during FY 2019-20 plus 300 basis points, i.e., 11.14%.

7.8.3 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 2019-20 is shown in the following Table:

**Table 74: IoWC for FY 2019-20 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in MYT Order dt. 01.03.19	SLDC Submission	Approved after Truing up
1	O&M expenses for 1 month		0.36	0.36
2	Maintenance spares @ 15% of O&M expenses		0.65	0.65
3	Receivables for two months		0.70	0.64
4	<b>Total Working Capital</b>		1.70	1.65
5	Rate of Interest		11.14%	11.14%
6	<b>Interest on Working Capital</b>	<b>0.19</b>	<b>0.19</b>	<b>0.18</b>

7.8.4 Accordingly, the Commission approves Interest on Working Capital of Rs. 0.18 Crore for FY 2019-20 after truing up.

## 7.9 Net Prior Period Expenses/(income)

7.9.1 AEGCL has claimed net prior period expenses as NIL for FY 2019-20 based on the Audited Accounts.

### Commission's Analysis

7.9.2 The Commission approves the Net Prior Period Income as NIL for FY 2019-20 after Truing-up.

## 7.10 Income Tax

7.10.1 SLDC has claimed NIL Income Tax as per the audited accounts for FY 2019-20.

### Commission's Analysis

7.10.2 The Commission has not considered any Income Tax in the truing up for FY 2019-20.

## 7.11 Non-Tariff Income

7.11.1 The Commission had approved Non-Tariff Income (NTI) of Rs. 0.85 crore in the MYT Order dated March 1, 2019 for FY 2019-20.

7.11.2 SLDC submitted that the amount of Non-Tariff Income comprises mostly of income from SLDC charges paid by IEX. SLDC submitted that it has considered the actual NTI of Rs. 0.44 crore earned during FY 2019-20 in the truing up, as shown in the Table below:

**Table 75: NTI as submitted by SLDC for FY 2019-20 (Rs. Crore)**

(Rs. Crore)		
Particulars	Approved as in T.O. dated 01.03.2019	SLDC Submission
Rent from Staff Quarters		0.00
Rental from Contractors/others		0.01
Other Miscellaneous Receipt		0.09
SLDC Charges paid by IEX		0.34
<b>Total</b>	<b>0.85</b>	<b>0.44</b>

7.11.3 SLDC requested the Commission to approve the Non-Tariff income amounting to Rs.

0.44 crore in the true-up for FY 2019-20.

### Commission's Analysis

7.11.4 The Commission has verified the head-wise NTI from the Audited Accounts of AEGCL for FY 2019-20. As discussed in earlier Chapter, the Commission has considered the income from SLDC Charges paid by IEX after deducting the same amount from Revenue from Open Access consumers of AEGCL.

7.11.5 The Commission has therefore, considered the NTI in the truing up for FY 2019-20, as Rs. 0.44 crore, based on the Audited Accounts, as shown in the Table below:

**Table 76: NTI approved by the Commission for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19	SLDC Submission	Approved after Truing up
1	Miscellaneous Receipts		0.09	0.09
2	Rent from Contractors/Suppliers/Others		0.01	0.01
3	SLDC charges paid by IEX		0.34	0.34
4	Rentals from staff quarters		0.00	-
	<b>Total</b>	<b>0.85</b>	<b>0.44</b>	<b>0.44</b>

### 7.12 ARR after Truing Up of FY 2019-20

7.12.1 Considering the above heads of expense and revenue as per the Audited Accounts for FY 2019-20 and after due prudence check, the net ARR and Revenue Gap/(Surplus) approved after true-up for FY 2019-20 is shown in the following Table:

**Table 77: ARR approved after Truing up for FY 2019-20 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 01.03.19	Proposed by SLDC	Approved after truing up
1	O&M Expenses	4.36	4.32	4.32
2	Employee Cost	3.29	3.54	3.54
a	R&M Expenses	0.38	0.43	0.43
b	A&G Expenses	0.44	0.32	0.32
c	Training Expenses	0.25	0.03	0.03
3	Depreciation	0.07	0.06	0.06
4	Interest & Finance Charges	0.08	0.05	0.05

Sl. No.	Particulars	Approved in Order dtd 01.03.19	Proposed by SLDC	Approved after truing up
	(Approved in Revised T.O. dated 25.06.19)			
5	Interest on Working Capital	0.19	0.19	0.18
6	Return on Equity	-	-	-
7	Income Tax	-	-	-
8	Net Prior period Charges/(Credits)		-	-
9	Less: Non-Tariff Income	0.85	0.44	0.44
10	<b>Aggregate Revenue Requirement</b>	<b>3.85</b>	<b>4.17</b>	<b>4.17</b>
11	Add: Sharing of (Gains)/Loss	-	0.48	0.48
12	<b>ARR after Sharing (Gains)/Losses</b>	<b>3.85</b>	<b>4.65</b>	<b>4.65</b>
13	Revenue with Approved Tariff	3.85	3.85	3.85
14	<b>Revenue Gap/(Surplus)</b>	<b>-</b>	<b>0.80</b>	<b>0.80</b>

The Commission has approved ARR after sharing of (Gains)/Losses and Incentive after Truing-up for FY 2019-20 as Rs. 4.65 Crore. After considering the Revenue at approved Tariff, the Revenue Gap of Rs. 0.80 Crore is approved after truing up for FY 2019-20, with associated carrying cost. This Gap has been considered for adjustment in the net ARR of APDCL during FY 2021-22.

## 8 APR for SLDC for FY 2020-21

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### 8.1 Introduction

- 8.1.1 The Commission had approved the ARR for SLDC for FY 2020-21 vide the Tariff Order dated March 7, 2020.
- 8.1.2 SLDC submitted the APR for FY 2020-21 comparing actual performance during April to September (H1) and revised estimates for October to March (H2) of FY 2019-20 with approved figures for FY 2020-21 vide Tariff Order dated March 7, 2020. AEGCL clarified that the GFA of SLDC has been segregated from AEGCL's GFA and is filed separately under SLDC's True up petition for FY 2019-20, APR Petition for FY 2020-21 and ARR for FY 2021-22.
- 8.1.3 In the present Chapter, the Commission has analysed the submission of all the elements of ARR vis-à-vis values approved in the Tariff Order for SLDC for FY 2020-21. The Commission has computed the Revenue Gap/(Surplus) as an indication of the performance in FY 2020-21. No sharing of gains/(losses) has been undertaken at this stage and the same shall be considered, along with the Revenue Gap/(Surplus), at the time of Truing up for FY 2020-21.

### 8.2 Operation and Maintenance Expenses

- 8.2.1 SLDC submitted that O&M expenses for FY 2020-21 comprise employee expenses, R&M expenses, and A&G expenses, and have been computed on normative basis. The share of SLDC in the O&M expenses as claimed in the true-up for FY 2019-20 have been considered as the base expenses. The average WPI and CPI have been considered as 2.96% and 5.35%, respectively. The normative O&M expenses submitted by SLDC for FY 2020-21 are shown in the Table below:

**Table 78: Normative O&M Expenses Projected by SLDC for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission
1	<b>O&amp;M Expenses</b>	<b>4.76</b>	<b>5.63</b>
a	Employee Expenses	3.72	4.76



Sl. No.	Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission
b	R&M Expenses	0.61	0.43
c	A&G Expenses	0.33	0.33
2	Training Expenses	0.10	0.10

8.2.2 SLDC has also submitted the revised estimates of each component of O&M expenses for FY 2020-21, based on the actual expenses in the first six months and estimates for the remaining six months. The claim of SLDC under various heads of O&M expenses is discussed below.

### 8.2.3 Employee Expenses

SLDC submitted that the normative employee cost for FY 2019-20 of SLDC have been considered as base employee cost for FY 2020-21. The Gn (Growth Factor) of SLDC has been considered as 1.00% as approved by the Commission in the Tariff Order dated 07.03.2020. In view of the above, SLDC requested the Commission to approve the normative Employee Expenses amounting to Rs. 4.76 Crore as shown in the above Table. SLDC has also estimated the employee expenses for FY 2020-21, considering the actual employee expenses in H1 of FY 2019-20, as Rs. 2.38 crore.

### 8.2.4 R&M Expenses

8.2.5 SLDC submitted that the AMC cost for SCADA / EMS has been transferred from AEGCL accounts to SLDC from FY 2019-20 onwards. During the H1 of FY 2020-21, the AMC cost incurred was Rs. 0.191 crore and same amount has been projected for H2 of FY 2020-21. Hence, total AMC cost for FY 2020-21 has been considered as Rs. 0.382 Crore, which needs to be considered under R&M Expenses. SLDC submitted that considering WPI of 2.96% and "K" factor of AEGCL as 0.96% as approved by the Commission in the MYT Order dated March 1, 2019, SLDC has estimated normative R&M expenses of Rs. 0.43 Crore for FY 2020-21. SLDC has also estimated the R&M expenses for FY 2020-21, considering the actual R&M expenses in H1 of FY 2020-21, as Rs. 0.22 crore.

### 8.2.6 A&G Expenses

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

SLDC has considered the A&G expenses approved for previous year in the MYT Order dated March 1, 2019, as the base A&G expenses. SLDC requested the Commission to approve the normative A&G expenses amounting to Rs. 0.33 crore. SLDC has also estimated the A&G expenses for FY 2020-21, considering the actual A&G expenses in H1 of FY 2020-21, as Rs. 0.16 crore.

#### **8.2.7 Expenses for Training and Capacity Building**

SLDC submitted that due to Covid-19 Pandemic, no officers could be sent for training. However, steps are taken to provide online training for officers from November 2020 onwards. SLDC is planning to execute various training in H2 and estimates that training expenses of Rs. 0.10 crore shall be incurred in FY 2020-21 against the approved amount of Rs. 0.10 crore.

Therefore, SLDC requested the Commission to approve the above-mentioned amount as training expenses for FY 2020-21.

#### **Commission's Analysis**

8.2.8 The Commission has approved the O&M Expenses for SLDC on normative basis in the MYT Order as per Regulation 103 of the MYT Regulations, 2018. AEGCL has submitted O&M expenses based on previous year's O&M expenses and applicable increase towards Salaries, Dearness Allowance, etc.

#### **Employee Expenses**

8.2.9 For computation of normative employee expenses for FY 2020-21, the Commission has adopted the following approach:

- a) The normative employee expenses approved for SLDC for FY 2019-20 in this Order have been considered as base expenses for FY 2020-21;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2017-18 to FY 2019-20, which works out to 5.35%;
- c) Growth factor of 1% has been considered as approved in the MYT Order;
- d) The additional employee expenses of Rs. 1 crore claimed by SLDC for increase in number of employees has been considered, as the same was approved in MYT Order dated 01.03.2019.

8.2.10 The normative employee expenses approved for FY 2020-21 is shown in the following

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

Table:

**Table 79: Approved Employee Expenses for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2020-21
Base Employee Cost (n-1)	3.54	3.54	3.54
Avg CPI rate of preceding three years	4.22%	5.35%	5.35%
Gn (Growth Factor for nth Year)	1.00%	1.00%	1.00%
Normative Employee Cost	3.72	3.76	3.76
Approved Additional Expense for increase in No of Employees (TO dt 01.03.19 & 07.03.20)	-	1.00	1.00
<b>Normative Employee Cost</b>	<b>3.72</b>	<b>4.76</b>	<b>4.76</b>

### R&M Expenses

8.2.11 For computation of normative R&M Expenses for FY 2020-21, the Commission has considered the following approach:

- WPI inflation for computation of R&M Expenses works out to 2.96% as per MYT Regulations, 2018, based on average increase of WPI for the period from FY 2017-18 to FY 2019-20;
- K-factor has been considered as 0.96%, as approved in the MYT Order;

8.2.12 The normative R&M expenses approved for FY 2020-21 is shown in the following Table:

**Table 80: Approved R&M Expenses for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2020-21
Opening GFA for previous year	5.006	5.026	5.006
Closing GFA for previous year	5.046	5.133	5.044
Average GFA for previous year	5.026	5.080	5.03
K Factor	0.96%%	0.96%	0.96%
WPI Inflation	2.98%	2.96%	2.96%
<b>R&amp;M Expenses</b>	<b>0.05</b>	<b>0.050</b>	<b>0.050</b>
AMC Cost for SCADA/EMS	0.56	0.382	0.382
<b>R&amp;M Expenses – SLDC</b>	<b>0.61</b>	<b>0.433</b>	<b>0.432</b>

## A&G Expenses

8.2.13 For computation of A&G expenses for FY 2020-21, the Commission has adopted the following approach:

- a) The normative A&G expenses approved for SLDC after true up for FY 2019-20 in this Order have been considered as base expenses for computation of normative A&G expenses for FY 2020-21;
- b) As discussed in earlier para, the Commission has considered the WPI inflation of 2.96%.

8.2.14 The normative A&G expenses approved for FY 2020-21 is shown in the following Table:

**Table 81: Approved A&G Expenses for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2020-21
A&G Expenses for Previous Year	0.32	0.32	0.32
WPI Inflation	2.98%	2.96%	2.96%
<b>A&amp;G Expenses-SLDC</b>	<b>0.33</b>	<b>0.33</b>	<b>0.33</b>

8.2.15 As regards Training Expenses, the Commission has considered the amount of Rs. 0.10 crore towards training expenses for SLDC for FY 2020-21.

8.2.16 In view of the above, the Commission approves the O&M expenses in the APR for FY 2020-21 as shown in the following Table:

**Table 82: Approved O&M Expenses for FY 2020-21 (Rs. Crore)**

Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2019-20
<b>Total O&amp;M Expenses</b>	<b>4.76</b>	<b>5.63</b>	<b>5.62</b>
Employee Expenses	3.72	4.76	4.76
R&M Expenses	0.61	0.43	0.43
A&G Expenses	0.33	0.33	0.33
Training Expenses	0.10	0.10	0.10

### **8.3 Capitalisation**

8.3.1 The Commission had approved capitalisation of Rs. 0.06 crore for FY 2020-21 for SLDC in the MYT Order dated March 1, 2019. SLDC submitted that it expects to incur capitalisation of Rs. 38 lakh in FY 2020-21, which includes Rs. 20 lakh for civil works, Rs. 2 lakh for Lines and Cables, Rs. 5 Lakh for furniture and Rs. 11 lakhs for office equipment. SLDC submitted that the entire capitalisation is envisaged to be funded through loans.

#### **Commission's Analysis**

8.3.2 The Commission has provisionally considered capitalisation as claimed by SLDC. The entire capitalisation is considered to be funded through debt, as submitted by SLDC.

### **8.4 Depreciation**

8.4.1 The Commission had approved the Depreciation of Rs. 0.09 Crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed depreciation of Rs. 0.06 Crore in the APR for FY 2020-21.

8.4.2 AEGCL submitted that it has calculated Depreciation taking into consideration of opening balance of assets and provisional capitalisation during FY 2019-20. AEGCL has not considered depreciation on assets created out of Grants.

#### **Commission's Analysis**

8.4.3 The Commission has considered the opening GFA for FY 2020-21 equivalent to the closing GFA for FY 2019-20 as approved in this Order and considering the allocation of assets to SLDC. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2018.

8.4.4 As per 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 not considered the depreciation on assets funded through grants or capital subsidy, for FY 2020-21.

The depreciation provisionally approved for FY 2020-21 in APR is given in the Table below:

**Table 83: Depreciation approved for FY 2020-21 (Rs. Crore)**

SI. NO.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2018
1	Land owned under full ownership			-	-
2	Land under lease	-		3.34%	-
3	Building	0.35	-	3.34%	-
4	Hydraulic	-	-	5.28%	-
5	Other Civil Works	-	0.20	3.34%	0.00
6	Plant & Machinery	4.59	-	5.28%	0.24
7	Lines & Cable Network	0.07	0.02	5.28%	0.00
8	Vehicles	-	-	9.50%	-
9	Furniture & Fixtures	0.02	0.05	6.33%	0.003
10	Office Equipment	0.08	0.11	6.33%	0.009
11	<b>Grand Total</b>	<b>5.11</b>	<b>0.38</b>		<b>0.262</b>
15	Less: Depreciation for Grants/ Consumer Contribution				0.19
	<b>Net Total</b>				<b>0.07</b>

8.4.5 The Commission provisionally approves Depreciation of Rs. 0.07 Crore in the APR for FY 2020-21.

## 8.5 Interest and Finance Charges

8.5.1 The Commission had approved Interest and Finance Charges of Rs. 0.06 crore for FY 2020-21 in the MYT Order dated March 1, 2019. As against this, AEGCL has claimed Interest and finance Charges of Rs. 0.07 Crore for FY 2020-21.

### Commission's Analysis

8.5.2 The Commission in the Tariff Order dated March 7, 2020 had approved the Interest and Finance Charges of Rs. 0.06 Crore, on normative basis for FY 2020-21 as per of MYT Regulations, 2018. The closing net normative loan of Rs. 0.51 Crore for FY 2019-20 has been considered as the net normative loan as on April 1, 2020. 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.

8.5.3 As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on actual outstanding loan as on April 1, 2020. The weighted average interest rate has been considered as 10.08%, equal to the interest rate considered for AEGCL, for computation of interest on loan capital.

8.5.4 The Interest on loan capital as approved by the Commission for FY 2020-21 is shown in the following Table:

**Table 84: Approved Interest on loan Capital for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2020-21
1	Net Normative Opening Loan	0.44	0.52	0.51
2	Addition of normative loan during the year	0.06	0.38	0.38
3	Normative Repayment during the year	0.09	0.06	0.07
4	Net Normative Closing Loan	0.41	0.84	0.83
5	Interest Rate	10.08%	10.08%	10.08%
6	<b>Interest Expenses</b>	<b>0.043</b>	0.07	0.07
7	Finance Charges	0.02	-	-
8	<b>Total Interest and Finance Charges</b>	<b>0.06</b>	<b>0.07</b>	<b>0.07</b>

8.5.5 **The Commission provisionally considers Interest on loan Capital of Rs. 0.07 Crore in APR for FY 2020-21.**

## 8.6 Return on Equity

8.6.1 The Commission approved the RoE as NIL for FY 2019-20 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed NIL RoE for FY 2020-21.

### Commission's Analysis

8.6.2 The Commission has considered zero addition of equity against capitalisation during FY 2020-21. Accordingly, the Commission considers RoE as NIL in APR for FY 2020-21.

## 8.7 Interest on Working Capital (IoWC)

8.7.1 The Commission approved IoWC of Rs. 0.21 Crore for FY 2020-21 in the Tariff Order dated March 7, 2020. As against this, AEGCL has claimed normative IoWC of Rs.

0.22 Crore for FY 2020-21, calculated as specified in MYT Regulations 2018.

### Commission's Analysis

8.7.2 The Commission has computed IoWC in accordance with MYT Regulations, 2018. The rate of Interest has been considered equal to SBI Base Rate prevalent in the first six months of 2020 plus 300 basis points, i.e., 10.00%. Further, receivables have been considered equal to the revenue approved for FY 2020-21 in the Tariff Order. IoWC approved by the Commission for FY 2020-21 is shown in the following Table:

**Table 85: IoWC for FY 2020-21 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	Approved in T.O. dt. 07.03.20	SLDC Submission	APR FY 2020-21
1	O&M expenses for 1 month		0.47	0.47
2	Maintenance spares @ 15% of O&M Expenses		0.84	0.84
3	Receivables for two months		0.93	0.78
4	<b>Total Working Capital</b>		<b>2.24</b>	<b>2.09</b>
5	Rate of Interest		10.00%	10.00%
6	<b>Interest on Working Capital</b>	<b>0.21</b>	<b>0.23</b>	<b>0.21</b>

8.7.3 Accordingly, the Commission approves IoWC of Rs. 0.21 Crore in the APR for FY 2020-21.

### 8.8 Non-Tariff Income

8.8.1 SLDC has considered NTI of Rs. 0.43 crore for FY 2020-21, by considering NTI in H2 of FY 2020-21 equal to the NTI in H1 of FY 2020-21. The NTI comprises income from Open Access applications and SLDC charges paid by IEX.

### Commission's Analysis

8.8.2 The Commission has accepted SLDC's projection of NTI of Rs. 0.10 crore for FY 2020-21. The actual NTI shall be considered at the time of truing up for FY 2020-21, subject to prudence check. The Commission has not considered income from open access applications and SLDC Charges paid by IEX on estimation basis. Revenue from the same would be considered at actual during True Up of FY 2020-21



**Table 86: NTI approved by the Commission for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Approved in Order dtd 07.03.20	SLDC Submission	Approved after Truing up
1	Miscellaneous Receipts		0.09	0.09
2	Rent from Contractors/Suppliers/Others			0.01
3	SLDC charges paid by IEX		0.34	
4	Rentals from staff quarters		0.00	-
	<b>Total</b>	<b>0.44</b>	<b>0.43</b>	<b>0.10</b>

## 8.9 Revenue from SLDC Charges

8.9.1 SLDC has considered Revenue from SLDC Charges for FY 2020-21 as Rs. 4.68 crore, as approved by the Commission in the Tariff Order dated March 7, 2020.

### Commission's Analysis

8.9.2 The Commission has considered Revenue from SLDC Charges for FY 2020-21 as Rs. 4.68 crore, as approved by the Commission in the Tariff Order dated March 7, 2020.

## 8.10 ARR after Annual Performance Review of FY 2020-21

8.10.1 Considering the above heads of expense and revenue, the net ARR approved after APR for FY 2020-21 is shown in the following Table:

**Table 87: ARR approved after APR for 2020-21 (Rs. Crore)**

Sl. No.	Particulars	T.O. dt. March 7, 2020	Proposed by SLDC	Approved after APR
1	O&M Expenses	4.76	5.63	5.62
1.1	<i>Employee Cost</i>	3.72	4.76	4.76
1.2	<i>R&amp;M Expenses</i>	0.61	0.43	0.43
1.3	<i>A&amp;G Expenses</i>	0.33	0.33	0.33
1.4	Training Expenses	0.10	0.10	0.10
2	Depreciation	0.09	0.06	0.07
3	Interest & Finance Charges	0.06	0.07	0.07
4	Interest on Working Capital	0.21	0.23	0.21
5	Return on Equity	-	0.00	0.00
6	Less: Non-Tariff Income/ Other Income	0.44	0.43	0.10

Sl. No.	Particulars	T.O. dt. March 7, 2020	Proposed by SLDC	Approved after APR
7	Aggregate Revenue Requirement	4.68	5.55	5.87

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

8.11.1 AEGCL has claimed Revenue Gap of Rs. 0.87 Crore after APR for FY 2020-21.

#### Commission's Analysis

8.11.2 The Commission has computed the Revenue Gap/(Surplus) arising out of APR for FY 2020-21 as shown in the following Table:

**Table 88: Revenue Gap/(Surplus) after APR for FY 2020-21 (Rs. Crore)**

Sl. No.	Particulars	Proposed by SLDC	Approved in APR
1	Net ARR	5.55	5.87
2	Revenue with Approved Tariff	4.68	4.68
3	<b>Revenue Gap/(Surplus)</b>	<b>0.87</b>	<b>1.19</b>

8.11.3 In the Tariff Order dated March 7, 2020, AEGCL was directed to ensure implementation of SAMAST within a definite timeline. In addition to the funds allotted under SAMAST, the Commission allowed Rs. 5 Crore as a special fund to SLDC for metering of all the interconnection points for segment-wise proper energy accounting. AEGCL was directed to maintain separate accounting of this fund and submit quarterly status of progress of the installation of metering to the Commission. Further, as this Fund was being given as a revenue expense, SLDC was directed to ensure that the expenses against this Fund are not included under the Gross Fixed Assets, and there is no claim of depreciation, interest and RoE against capitalisation achieved using this Special Fund.

The Commission noted that, AEGCL has not submitted any progress report of utilization of the said fund in the APR of SLDC for FY 2020-21. Hence, the Commission has not considered the said amount for APR purposes.

8.11.4 The APR reveals a Gap of Rs. 1.19 crore for FY 2020-21. It is only indicative, in the absence of Audited Annual Accounts for FY 2020-21. It will be considered during the Truing up process for FY 2020-21, after the Audited Annual Accounts are made available.

## 9 ARR for SLDC for FY 2021-22

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### 9.1 Introduction

- 9.1.1 This Chapter deals with the determination of revised ARR for SLDC for FY 2021-22 in accordance with the provisions of MYT Regulations, 2018.
- 9.1.2 AEGCL added that the annual accounts of SLDC are included in annual accounts of AEGCL till FY 2019-20, hence, the projection for the Period has been carried out with the limited available data from audited accounts of AEGCL and certain assumptions.

### 9.2 Operation and Maintenance Expenses

- 9.2.1 AEGCL submitted that O&M expenses for FY 2021-22 have been computed on the basis of revised estimates for FY 2020-21 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:

#### **Employee Expenses**

- 9.2.2 SLDC submitted that there is a shortage of DM/ AM / JM in the office, which is causing difficulty in carrying out SLDC works. No DM/ AM/ JM has been posted in vacant positions of control room shifts, which is being managed by the remaining officers by allowing OT allowances. In addition to above, the present manpower strength is also less than approved in the SLDC organizational structure.
- 9.2.3 SLDC submitted that this directly affects the efficiency and effectiveness of Load Despatch Center. In view of above, SLDC proposes to hire more than 9 DM/AM and 4 JMs.
- 9.2.4 The base employee cost approved by the Commission in the previous Tariff Order has been considered. The Gn (Growth Factor) of SLDC has been considered as 1.00% for FY 2021-22. In view of the above, SLDC requested the Commission to approve the normative Employee expenses amounting to Rs. 6.07 Crore.

### **R&M Expenses**

- 9.2.5 SLDC submitted that the AMC cost of SCADA / EMS has been transferred from AEGCL Accounts to SLDC from FY 2019-20 onwards. The projected AMC cost amounting to Rs. 0.382 crore have been considered for FY 2021-22 based on the previous year's cost.
- 9.2.6 SLDC submitted that WPI of 2.96% and "K" factor of AEGCL has been considered as 0.96% as approved by the Commission in the MYT Order dated March 1, 2019. SLDC has estimated R&M expenses of Rs. 0.43 Crore for FY 2021-22.

### **A&G Expenses**

- 9.2.7 SLDC requested the Commission to approve the proposed A&G expenses of Rs. 0.34 crore for FY 2021-22 without any disallowance.

### **Expenses for Training and Capacity Building**

- 9.2.8 SLDC submitted that rigorous training is carried out at different Transmission Companies at regular intervals, which is effective and necessary for the employees. In times of Covid-19, SLDC aims to switch to online training courses offered by third party training institutes instead of conventional training workshops as conducted earlier.
- 9.2.9 SLDC proposes to engage in Technical training on "Power System communications, SCADA, EMS", "Reactive Power management", "Power System protection" and on "HVDC Transmission System"
- 9.2.10 Therefore, SLDC would like to invest in educating and enhancing the employees through such various online workshops with an estimated cost of Rs. 10 Lakh for FY 2021-22.

### **Commission's Analysis**

- 9.2.11 The Commission has approved the O&M Expenses on normative basis in the Tariff Order as per Regulation 103 of MYT Regulations, 2018. AEGCL has submitted O&M expenses based on previous year's O&M expenses and applicable increase towards Salaries, Dearness Allowance, etc.

### **Employee Expenses**

- 9.2.12 For computation of normative employee expenses for FY 2021-22, the Commission

has adopted the following approach:

- a) The normative employee expenses approved for FY 2020-21 have been considered as base expenses for FY 2021-22;
- b) CPI inflation has been computed as average increase of CPI for the period from FY 2017-18 to FY 2019-20, which works out to 5.35%;
- c) The growth rate has been considered as 1%, as approved in the MYT Order;
- d) As stated in the APR, the additional employee expenses of Rs. 1 crore claimed by SLDC has been considered in line with the approval given in the MYT Order.

9.2.13 The normative employee expenses approved for FY 2021-22 is shown in the following Table:

**Table 89: Approved Employee Expenses for FY 2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
Base Employee Cost (n-1)		4.76	4.76
Avg CPI rate of preceding three years		5.35%	5.35%
Gn (Growth Factor for nth Year)		1.00%	1.00%
Normative Employee Cost		5.07	5.07
Approved Additional Expense for increase in No of Employees (TO dt 01.03.19 & 07.03.20)		1.00	1.00
<b>Normative Employee Cost</b>	<b>5.66</b>	<b>6.07</b>	<b>6.07</b>

### R&M Expenses

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

- a) WPI inflation for computation of R&M Expenses works out to 2.96% as per MYT Regulations, 2018, based on average increase of WPI for the period from FY 2017-18 to FY 2019-20;
- b) K-factor has been considered as 0.96% as approved in MYT Order.

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

**Table 90: Approved R&M Expenses for FY 2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
Opening GFA for previous year		5.133	5.044
Closing GFA for previous year		5.513	5.424
Average GFA for previous year		5.323	5.23
K Factor		0.96%	0.96%
WPI Inflation		2.96%	2.96%
<b>R&amp;M Expenses</b>		<b>0.053</b>	<b>0.052</b>
AMC Cost for SCADA/EMS		0.382	0.382
<b>R&amp;M Expenses - SLDC</b>	<b>0.39</b>	<b>0.435</b>	<b>0.434</b>

### A&G Expenses

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

- a) The normative A&G expenses approved for FY 2020-21 have been considered as base expenses for computation of normative A&G expenses for FY 2021-22;
- b) As discussed in earlier para, the Commission has considered the WPI inflation of 2.96%.

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

**Table 91: Approved A&G Expenses for FY2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
A&G Expenses for Previous Year		0.33	0.33
WPI Inflation		2.96%	2.96%
<b>Normative A&amp;G expenses</b>	<b>0.47</b>	<b>0.34</b>	<b>0.34</b>

9.2.18 As regards Training Expenses, the Commission approves the amount of Rs. 10 lakh towards training expenses for SLDC for FY 2021-22, as approved in the MYT Order.

9.2.19 In view of the above, the Commission approves the revised O&M expenses as shown in the following Table for FY 2021-22:

**Table 92: Approved O&M Expenses for FY 2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
<b>Total O&amp;M Expenses</b>	<b>6.51</b>	<b>6.94</b>	<b>6.94</b>
Employee Expenses	5.66	6.07	6.07
R&M Expenses	0.39	0.44	0.43
A&G Expenses	0.47	0.34	0.34
Training Expenses	-	0.10	0.10

### 9.3 Capitalisation

9.3.1 The Commission had approved capitalisation of Rs. 3.02 crore for FY 2021-22 for SLDC in the MYT Order dated March 1, 2019. SLDC submitted that it had revised the capital investment plan based on the current scenario. The scheme-wise capitalisation along with funding pattern proposed by SLDC are as follows:

- a) **Civil works:** SLDC submitted that it plans to renovate existing rooms and construct new rooms for SAMAST project. along with construction of a parking shed, and renovation of gents' toilet for officers and staff of Control room. SLDC submitted the estimated capital cost of Rs. 25 Lakh, with 100% Debt funding.
- b) **Lines, Cable and Networks:** SLDC submitted that it is currently fed power from 132 kV Kahilipara GSS through the 250 kVA transformer, which is getting over loaded due to which SLDC has to go through power cut sometimes. SLDC proposes to replace the existing Transformer by procurement of new 33/0.4 kV transformer and related accessories which will hopefully ensure regular and uninterrupted Power to SLDC. SLDC submitted the estimated capital cost of Rs. 10 Lakh, with 100% Debt funding.
- c) **Furniture and Fixtures:** SLDC submitted that it plans to procure new furniture for newly renovated rooms in the SLDC building. SLDC estimates a total Rs. 7 Lakh Capital Expenditure, which is planned to be funded through Debt only.
- d) **Office Equipment:** SLDC submitted that it is planning to procure Industrial grade air conditioners for Central Room and Air Conditioners in the newly renovated rooms designated for officers. It is also going to procure new Laptops, desktops and printers, scanners, etc., for its officers. SLDC estimates a total Rs. 40 Lakh Capital Expenditure, which is planned to be funded through Debt only.

9.3.2 The summary of capitalisation for FY 2021-22, as projected by SLDC, is shown in the



Table below:

**Table 93: Capitalisation proposed by SLDC for FY 2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC
Other Civil Works		0.325
Lines & Cable network		0.10
Furniture & Fixtures		0.07
Office Equipment		0.40
<b>Total Capitalisation</b>	<b>3.02</b>	<b>0.895</b>

### Commission's Analysis

- 9.3.3 The Commission has deliberated on the capitalization amount claimed by SLDC for FY 2021-22.
- 9.3.4 The Commission has considered capitalisation of Rs. 32.50 lakh for other Civil Work, Rs. 10 Lakh for Lines and Cable Network, Rs. 7 lakh for Furniture and Rs. 40 Lakh for Industrial grade Air-conditioners, laptops, desktops and other accessories, as submitted by SLDC. The entire capitalisation has been considered to be funded through debt, in line with the rationale considered for SLDC.
- 9.3.5 The summary of capitalisation approved by the Commission for SLDC for FY 2021-22, is shown in the Table below:

**Table 94: Capitalisation approved by SLDC for FY 2021-22 (Rs. Crore)**

Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
Other Civil Works		0.325	0.325
Lines & Cable network		0.10	0.10
Furniture & Fixtures		0.07	0.07
Office Equipment		0.40	0.40
<b>Total Capitalisation</b>	<b>3.02</b>	<b>0.895</b>	<b>0.895</b>

## 9.4 Depreciation

- 9.4.1 The Commission had approved the Depreciation of Rs. 0.22 Crore for FY 2021-22 in the MYT Order dated March 1, 2019. As against this, SLDC has claimed depreciation

of Rs. 0.09 Crore for FY 2021-22.

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

#### **Commission's Analysis**

9.4.3 The Commission has considered the opening GFA for FY 2021-22 equivalent to the closing GFA for FY 2020-21 as approved in this Order. The Commission has computed depreciation as per scheduled rates specified in the MYT Regulations, 2018.

9.4.4 As per 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 not considered the depreciation on assets funded through grants or capital subsidy for FY 2021-22.

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

**Table 95: Depreciation approved for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	Opening GFA	Addition during the year	Rate of depreciation	Depreciation as per MYT Regulations, 2018
1	Land owned under full ownership			-	
2	Land under lease	-		3.34%	
3	Building	0.35	-	3.34%	
4	Hydraulic	-	-	5.28%	
5	Other Civil Works	0.20	0.33	3.34%	0.01
6	Plant & Machinery	4.59	-	5.28%	0.24
7	Lines & Cable Network	0.09	0.10	5.28%	0.01
8	Vehicles	-	-	9.50%	-
9	Furniture & Fixtures	0.07	0.07	6.33%	0.01
10	Office Equipment	0.19	0.40	6.33%	0.02
11	<b>Grand Total</b>	<b>5.49</b>	<b>0.80</b>		<b>0.29</b>
15	Less: Depreciation for Grants/ Consumer Contribution				0.19
	<b>Net Total</b>				<b>0.10</b>

9.4.6 **The Commission approves Depreciation of Rs. 0.10 Crore for FY 2021-22.**

## 9.5 Interest on Loan Capital

9.5.1 The Commission had approved Interest and Finance Charges of Rs. 0.31 crore for FY 2021-22 in the MYT Order dated March 1, 2019. As against this, AEGCL has claimed Interest and finance Charges of Rs. 0.12 Crore for FY 2021-22.

### Commission's Analysis

9.5.2 The Commission in the Tariff Order dated March 1, 2019 had approved the Interest and Finance Charges of Rs. 0.31 crore, on normative basis for FY 2021-22 as per of MYT Regulations, 2018. The closing net normative loan of Rs. 0.83 Crore for FY 2020-21 has been considered as the net normative loan as on April 1, 2021. 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.

9.5.3 As per MYT Regulations, 2018, weighted average rate of interest shall be computed based on actual outstanding loan as on April 1, 2021. The weighted average interest rate has been considered as 10.08% for computation of interest on loan capital, as considered for AEGCL.

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

**Table 96: Approved Interest on loan Capital for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	MYT Order dt. March 1, 2019	SLDC Submission	Approved by Commission
1	Net Normative Opening Loan		0.84	0.83
2	Addition of normative loan during the year		0.90	0.90
3	Normative Repayment during the year		0.09	0.10
4	Net Normative Closing Loan		1.64	1.62
5	Interest Rate		10.08%	10.08%
6	<b>Interest Expenses</b>		0.12	0.12
7	Finance Charges		0.00	
8	<b>Total Interest and Finance Charges</b>	<b>0.31</b>	<b>0.12</b>	<b>0.12</b>

9.5.5 **The Commission approves Interest on loan Capital of Rs. 0.12 Crore for FY 2021-22.**

## 9.6 Return on Equity

9.6.1 The Commission approved the RoE as NIL for FY 2021-22 in the MYT Order dated March 1, 2019. As against this, AEGCL has claimed RoE as NIL for FY 2021-22.

### Commission's Analysis

9.6.2 The Commission has considered zero addition of equity against capitalisation during FY 2020-21. Accordingly, the Commission considers RoE as NIL for FY 2021-22.

## 9.7 Interest on Working Capital (IoWC)

9.7.1 The Commission approved IoWC of Rs. 0.30 Crore for FY 2021-22 in the MYT Order dated March 1, 2019. As against this, AEGCL has claimed IoWC of Rs. 0.28 Crore for FY 2021-22 calculated as specified in MYT Regulations 2018.

### Commission's Analysis

9.7.2 The Commission has computed IoWC in accordance with MYT Regulations, 2018. The rate of Interest has been considered equal to SBI MCLR rate (One-year Tenor) in the first six months of FY 2020-21 plus 300 basis points, i.e., 10.00%. Further, receivables have been considered equal to the ARR being approved for FY 2021-22 in the present Order. The IoWC approved by the Commission for FY2021-22 is shown in the following Table:

**Table 97: IoWC for FY 2021-22 as approved by the Commission (Rs. Crore)**

Sl. No.	Particulars	MYT Order dt. March 1, 2019	SLDC Submission	Approved by Commission
1	O&M expenses for 1 month		0.58	0.58
2	Maintenance spares @ 15% of O&M Expenses		1.04	1.04
3	Receivables for two months		1.17	1.39
4	<b>Total Working Capital</b>		<b>2.79</b>	<b>3.01</b>
5	Rate of Interest		10.00%	10.00%
6	<b>Interest on Working Capital</b>	<b>0.30</b>	<b>0.28</b>	<b>0.30</b>

9.7.3 **Accordingly, the Commission approves IoWC of Rs. 0.30 Crore for FY 2021-22.**

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

## 9.8 Non-Tariff Income

9.8.1 AEGCL has considered NTI of Rs. 0.43 crore for FY2021-22. The NTI comprises income from Open Access applications and SLDC charges paid by IEX.

### Commission's Analysis

9.8.2 The Commission has considered NTI of Rs. 0.10 crore for FY 2021-22. The Commission has not considered the projected income from open access applications and SLDC Charges paid by IEX, and Revenue from the same would be considered at actual during True Up of FY 2021-22.

## 9.9 ARR for FY 2021-22

9.9.1 Considering the above heads of expense and revenue, the net ARR approved for FY 2021-22 is shown in the following Table:

**Table 98: ARR approved for FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	MYT Order dt. March 1, 2019	Proposed by SLDC	Approved by Commission
1	O&M Expenses	6.51	6.94	6.94
1.1	<i>Employee Cost</i>	5.66	6.07	6.07
1.2	<i>R&amp;M Expenses</i>	0.39	0.44	0.43
1.3	<i>A&amp;G Expenses</i>	0.47	0.34	0.34
1.4	<i>Training Expenses</i>		0.10	0.10
2	Depreciation	0.22	0.09	0.10
3	Interest & Finance Charges	0.31	0.12	0.12
4	Interest on Working Capital	0.30	0.28	0.30
5	Return on Equity		0.00	-
6	Less: Non-Tariff Income	0.93	0.43	0.10
7	<b>Aggregate Revenue Requirement</b>	<b>6.41</b>	<b>7.01</b>	<b>7.36</b>

9.9.2 Thus, the Commission approves the ARR of Rs. 7.36 Crore for FY 2021-22, as against ARR of Rs. 7.01 crore projected by SLDC.

## 10 Transmission Tariff for FY 2021-22

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

10.1.1 AEGCL submitted the cumulative Revenue Gap/(Surplus) after Truing up of FY 2019-20 and APR of FY 2020-21 and based on the revised ARR of FY 2021-22, as shown in the Table below:

**Table 99: Revenue Gap/(Surplus) for FY 2019-20 (Rs. Crore) with carrying cost**

Particulars	Amount
Revenue Gap/(Surplus) for FY 2019-20	0.69
Carrying/(Holding) cost on Revenue Gap/(Surplus) for FY 2019-20	0.14
<b>Total Revenue Gap/(Surplus)</b>	<b>0.83</b>

**Note:** AEGCL revised the numbers vide its reply dated 22.01.2021

#### Commission's Analysis

10.1.2 For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2019-20 as approved in this Order along with Carrying/(Holding)Cost. No Revenue Gap/(Surplus) arising out of APR of FY 2020-21, is proposed to be recovered through tariff in FY 2021-22, in accordance with the MYT Regulations, 2018.

10.1.3 The Revenue Gap/(Surplus) approved for recovery in FY 2021-22 is shown in the Table below:

**Table 100: Revenue Gap/(Surplus) for FY 2019-20 approved for recovery/adjustment in FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	MYT Order	AEGCL	Approved after truing up
1	Net ARR	366.03	387.98	360.16
2	Revenue from Transmission Charges	366.03	387.29	387.29
3	Gap/(Surplus)	-	0.69	(27.13)
4	Carrying/(Holding) cost	-	<b>0.14</b>	<b>(5.58)</b>

**Note:** AEGCL revised the numbers vide its reply dated 22.01.2021

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

**Table 101: Carrying/ (Holding) Cost for Revenue Gap/(Surplus) for FY 2019-20 approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Balance	-	(27.13)	(27.13)
2	Recovery /(Addition) during year	27.13	-	(27.13)
3	Closing balance	(27.13)	(27.13)	-
4	Rate of Interest (%)	11.14%	10.00%	10.00%
5	Carrying /(holding) Cost	(1.51)	(2.71)	(1.36)
	<b>Total Gap/ (Surplus) including Carrying/(Holding) Cost</b>		<b>(32.71)</b>	

10.1.5 The total Revenue Surplus including Holding cost works out to Rs 32.71 Crore.

#### **Refund of Surplus to APDCL**

10.1.6 **The Commission approves the cumulative Revenue Surplus of AEGCL as Rs. 32.71 Crore. This Surplus is to be refunded to APDCL in twelve monthly equal instalments of Rs 2.73 Crore in FY 2021-22 as adjustment to the monthly bills.**

## **10.2 Transmission tariff for FY 2021-22**

10.2.1 AEGCL has proposed the Transmission Tariff for FY 2021-22 based on the cumulative Revenue Gap/(Surplus) after Truing up of FY 2019-20 and APR of FY 2020-21 and based on the ARR, as shown in the Table below:

**Table 102: Transmission Tariff Proposed by AEGCL (Rs. Crore)**

Particulars	AEGCL Submission in Petition	AEGCL Submission in Reply to Data Gaps dated 10.12.2020
Stand-alone ARR	427.79	414.13
Previous Revenue Gap/(Surplus) with Carrying/(Holding) cost	0.43	0.83
<b>Net Annual Revenue Requirement</b>	<b>428.21</b>	<b>414.97</b>
<b>Transmission Charge (Rs. / kWh)</b>	<b>0.396</b>	<b>0.419</b>

## Commission's Analysis

10.2.2 In accordance with MYT Regulations, 2018, the Commission has determined the Annual Transmission Charges and Transmission System Access Charges for FY 2021-22. 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, as detailed below:

**10.2.3 The Annual Transmission Charges for FY 2021-22 shall be equal to Net ARR approved for recovery for FY 2021-22, i.e., Rs. 389.09 Crore.**

10.2.4 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 2186 MW as submitted by AEGCL and estimated energy supplied to APDCL and Open Access consumers as 9776.42 MU as approved in the Tariff Order of APDCL for FY 2021-22.

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

10.2.6 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, 2018. 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.

10.2.7 The approved Transmission System Access Charges for FY 2021-22 is shown in the Table below:

**Table 103: Transmission Access Charges approved by the Commission for FY 2021-22**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1	Net ARR for Transmission (Rs Crore)	389.09
2	Energy transmitted to APDCL and Open Access consumers (MU)	9,776.42
<b>3</b>	<b>Transmission Access Charges (Rs. /kWh)</b>	<b>0.40</b>
<b>4</b>	<b>Transmission Charges for LTOA/ MTOA (Rs./MW/day)</b>	<b>4,876.46</b>

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*



**For short-term Open Access customers, the Transmission Charges shall be Rs. 0.40/kWh.**

**Note:**

- 1) The Commission has considered Annual Maximum Peak for FY 2021-22 as 2186 MW.
- 2) Any recovery on account of short-term Open Access charges shall be considered as Additional Revenue.

# 11 Annual SLDC Charges for FY 2021-22

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

11.1.1 SLDC submitted the cumulative Revenue Gap/(Surplus) after Truing up of FY 2019-20 and APR of FY 2020-21 and based on the revised ARR of FY 2021-22, as shown in the Table below:

**Table 104: Revenue Gap/(Surplus) for FY 2019-20 (Rs. Crore) with carrying cost**

Particulars	Amount
Revenue Gap/(Surplus) for FY 2019-20	0.80
Carrying/(Holding) cost on Revenue Gap/(Surplus) for FY 2019-20	0.17
<b>Total Revenue Gap/(Surplus)</b>	<b>0.97</b>

### Commission's Analysis

11.1.2 For computation of cumulative Revenue Gap/(Surplus), the Commission has considered the Revenue Gap/(Surplus) after truing up of FY 2019-20 as approved in this Order along with Carrying/(Holding)Cost. No Revenue Gap/(Surplus) arising out of APR of FY 2020-21, is proposed to be recovered through tariff in FY 2021-22, in accordance with the MYT Regulations, 2018.

11.1.3 The Revenue Gap/(Surplus) approved for recovery in FY 2021-22 is shown in the Table below:

**Table 105: Revenue Gap/(Surplus) for FY 2019-20 approved for recovery/adjustment in FY 2021-22 (Rs. Crore)**

Sl. No.	Particulars	MYT Order	SLDC	Approved after truing up
1	Net ARR	3.85	4.65	4.65
2	Revenue from SLDC Charges	3.85	3.85	3.85
3	Gap/(Surplus)	-	0.80	0.80
4	Carrying/(Holding) cost	-	0.17	0.16

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

**Table 106: Carrying/ (Holding) Cost for Revenue Gap/(Surplus) for FY 2019-20 approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
1	Opening Balance	-	0.80	0.80
2	Recovery /(Addition) during year	(0.80)	-	0.80
3	Closing balance	0.80	0.80	-
4	Rate of Interest (%)	11.14%	10.00%	10.00%
5	Carrying /(holding) Cost	0.04	0.08	0.04
	<b>Total Gap/ (Surplus) including Carrying/(Holding) Cost</b>		<b>0.97</b>	

11.1.5 The total Revenue Gap including Carrying Cost works out to Rs 0.97 Crore.

**Pass through of Gap to APDCL**

11.1.6 The Commission approves the cumulative Revenue Gap of SLDC as Rs 0.97 Crore. This Gap is to be passed through to APDCL in twelve monthly equal instalments of Rs 0.08 Crore in FY 2021-22 as adjustment to the monthly bills.

**11.2 SLDC tariff for FY 2021-22**

11.2.1 ARR of SLDC approved for FY 2021-22 are Rs. 7.32 Crore, which are allocated to APDCL as single user.

11.2.2 However, the SLDC charges to be charged for any other Long-term/Medium-term user are as given below:

**Table 107: SLDC Charges approved by the Commission for FY 2021-22**

Sl. No.	Particulars	UoM	Amount
1	Net ARR – SLDC	Rs. Crore	7.36
2	Maximum Contracted Capacity	MW	2186.00
3	SLDC Charges for LTOA/MTOA Consumers	Rs./MW/day	92.30

**Approved SLDC charges to be recovered from APDCL for FY 2021-22 is Rs. 7.36 Crore.**

**The approved SLDC charges for Long-term/Medium-term Users of Transmission System for FY 2021-22 are Rs. 92.30 per MW per day.**

- 11.2.3 The annual SLDC charges as determined by the Commission shall be recovered from APDCL. The SLDC shall furnish necessary monthly bills at the rate of one twelfth of the annual charges as approved by the Commission, to APDCL for each billing month within seven days after the last day of the preceding month. APDCL shall make payment to the SLDC, within one month of the date of receipt of the bill.
- 11.2.4 The Short-term open access customers using the intra-State transmission system shall pay only such scheduling charges to the SLDC as approved by the Commission in accordance with AERC (Terms and Conditions for Open Access) Regulations 2018. This revenue shall be adjusted against the ARR.

## 12 Applicability of Tariff

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12.1.1 The approved Transmission tariff and SLDC Charges for FY 2021-22 shall be effective from April 1, 2021 and shall continue until replaced by any subsequent Order of the Commission.

**Sd/-**

**(S. N. Kalita)**  
**Member, AERC**

**Sd/-**

**(B. Borthakur)**  
**Member, AERC**

**Sd/-**

**(K. S. Krishna)**  
**Chairperson, AERC**

## 13 Directives

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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 07, 2020, 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 March 07, 2020**

#### **Directive 1: Funding from the Government of Assam for employer's contribution to Terminal Liabilities based on Actuarial valuation.**

AEGCL is directed to continue pursuing the funding from Government of Assam for employer's contribution to Terminal Liabilities based on actuarial valuation done as on January 31, 2019, as there have been objections from the consumers regarding the BST charges, which is passed on to the consumers.

#### **Status submitted by AEGCL:**

AEGCL submitted that -

- The actuarial valuation conducted in FY 2019 was submitted to GoA to provide one-time funding. The past unfunded liability was Rs. 7086.24 Cr as on 31.01.2019.
- However, GoA continued to provide budgetary support for yearly deficit. The estimated deficit at the end of FY 2020-21 is Rs. 1581.03 Cr.
- For FY 2019-20, GoA made budgetary provision of Rs. 500 Cr, out of which Rs. 400 Cr only was released. In FY 2020-21, GoA has released Rs. 100 Cr against budgetary provision of Rs. 475 Cr till date.

#### **Commission's views:**

Noted. AEGCL should continue to pursue the matter with the State Government.

#### **Directive 2: Energy Audit and Implementation of SAMAST.**

The Commission directs AEGCL to submit the Energy Audit Reports for FY 2019-20 within 3 months from the date of this Order.

*AEGCL and SLDC Order for Truing-Up of FY 2019-20, APR of FY 2020-21, ARR & Tariff of FY 2021-22*

Further, the Commission directs AEGCL to carry out the Energy Audit during FY 2020-21 including those sub-stations that were left out from the sample for study in FY 2019-20. AEGCL should 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 ensure implementation of SAMAST within a definite timeline. In addition to the funds allotted under SAMAST, the Commission has allowed Rs. 5 Crore as a special fund to SLDC for metering of all the interconnection points for segment-wise proper energy accounting. AEGCL is directed to maintain separate accounting of this fund and submit quarterly status of progress of the installation of metering to the Commission.

**Status submitted by AEGCL:**

- AEGCL submitted that the sub-station wise energy audit data of AEGCL for FY 2019-20 was furnished to the Commission on 24.07.2020.
- PSDF, NLDC sanctioned the project cost of Rs. 10.25 Cr for SAMAST, Assam. However, some meters and few spares were excluded from the project cost. Additional fund of Rs. 6.014 Cr (Approx.) shall be required for successful completion of SAMAST project in ASSAM.
- Regarding Rs 5 Crore special fund to SLDC from the Commission. AEGCL submitted that the fund is proposed to be utilized for procurement of energy meters for 4 new Grid Substations of AEGCL and other items.
- Regarding Current Status on SAMAST Project for Assam as on Nov' 2020, AEGCL submitted that Tender Package-I and II were floated and bidders selected. NLDC, POSOCO has been requested to release the first instalment (10% of the sanctioned grant) for implementation of SAMAST in Assam and separate account for SAMAST Project has been opened for transfer of fund.

**Commission's views:**

The Commission observes that ground works relating to SAMAST are yet to start. SAMAST needs to be implemented within a definite timeline so that a system for proper segment-wise energy accounting is in place and the transmission losses can be reduced. AEGCL must pursue with NLDC, POSOCO for faster release of funds and works must be completed within a definite timeframe.

### **Directive 3 - Segregation & Strengthening of SLDC**

The Commission directs AEGCL to expedite the process of Segregation & Strengthening of SLDC. The new recruitments planned for the MYT period should be carried out as per plan. The Commission further directs AEGCL to maintain and submit separate accounts of the expenses/income pertaining to SLDC, either through a separate Schedule in AEGCL's Accounts or under Segmental Reporting, at the time of true-up for FY 2020-21. The process to disburse salary of SLDC employees from SLDC Bank account should be completed by April 2020. As ARR of SLDC would be taken up for True-up with effect from FY 2019-20, AEGCL is directed to submit complete separate Petition for SLDC henceforth.

#### **Status:**

AEGCL submitted that necessary initiatives have been taken to restructure and strengthen SLDC. A separate bank account is already available for SLDC for payment of required expenditure of SLDC including disbursement of salary of SLDC.

AEGCL further submitted that separate accounts of the expense/income pertaining to SLDC, either through a separate Schedule in AEGCL's accounts or under segmental reporting, shall be submitted at the time of true-up for FY 2020-21.

#### **Commission's views:**

Noted.

### **New Directives:**

The Commission hereby issues the following new directives to AEGCL:

#### **Directive 1: Energy Audit and Implementation of SAMAST.**

- **The Commission directs AEGCL to submit the Energy Audit Reports for FY 2020-21 within 30<sup>th</sup> April, 2021.**
- **AEGCL is directed to ensure implementation of SAMAST within a definite timeline. AEGCL should also install meters at all interconnecting points of each grid substation within 31<sup>st</sup> December, 2021. A comprehensive plan showing the status of existing meter and additional requirement should be submitted within 30<sup>th</sup> June, 2021.**



#### **Directive 2: Capacity Building of AEGCL**

- **The Commission directs AEGCL to complete the recruitment process within the MYT Control Period, in line with the manpower planning study conducted for all 3 Companies. AEGCL should submit the Report on manpower planning study within 1 month of issue of this Order. The organisational structure should duly incorporate the effect of ERP implementation.**
- **AEGCL should submit the training calendar for its employees for FY 2021-22, duly approved by its Board, within 2 months of issue of this Order.**
- **The Commission further directs that in order to facilitate preventive and scheduled maintenance of Transmission Substations and lines on time, dedicated Maintenance Teams should be developed. AEGCL should also plan proper training for these Maintenance Teams. APDCL should submit a report to the Commission within 30<sup>th</sup> June, 2021.**

#### **Directive 3 – Capacity Building of SLDC**

**SLDC should submit the training calendar for its employees for FY 2021-22, duly approved by its Board, within 2 months of issue of this Order.**

#### **Directive 4 – Evacuation of Power through AEGCL network**

**The Commission directs AEGCL to take up a comprehensive study of its network and explore the possibility of evacuation of power to APDCL from the Central Sector Generating Stations (CSGS) located within the State of Assam directly through AEGCL network, thereby reducing dependency on the CTU network. The study report shall be submitted to the Commission within September, 2021.**

#### **Directive 5 – Coordination Committee**

It has been observed by the Commission that there are common issues relating to power generation, transmission, and distribution, which have been adversely affecting power supply to consumers and which can be resolved by effective coordination between the three Companies namely, APGCL, AEGCL and APDCL.

- **The Commission, therefore, directs that a Coordination Committee be constituted consisting of senior Officers from APGCL, AEGCL, SLDC and**

**APDCL for settlement of matters of common interests relevant to generation, evacuation of power and supply to consumers. The Committee shall be headed by the CGM, SLDC. This Coordination Committee shall meet as often as required, but at least once in every quarter of each year. The Minutes of Meeting of each Coordination Committee meeting shall be submitted to the Commission within 15 days of such meeting.**

- **The Commission directs that the Committee is to be constituted within 3 weeks of issue of this Order, and a report regarding its constitution shall be submitted to the Commission within 15<sup>th</sup> March, 2021.**

**AEGCL is directed to submit the status of compliance of above Directives to the Commission at the end of each quarter. The Commission will review the status in the month following the end of the quarter.**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>(S.N. Kalita)</b>	<b>(B. Borthakur)</b>	<b>(K. S. Krishna)</b>
<b>Member, AERC</b>	<b>Member, AERC</b>	<b>Chairperson, AERC</b>

# 14 Annexure 1: Minutes of the 27<sup>th</sup> Meeting of the State Advisory Committee

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**VENUE:** AERC Conference Hall.

**DAY/DATED:** Saturday, 19<sup>th</sup> December, 2020.

**LIST OF MEMBERS/SPECIAL INVITEES: At Annexure-1 (Enclosed)**

The 27<sup>th</sup> Meeting of State Advisory Committee (SAC) was chaired by the Hon'ble Chairperson, AERC, Shri S C Das, IAS, (Retd.)

The Hon'ble Chairperson, welcomed all members and invitees to the 27<sup>th</sup> meeting of SAC and thanked all members for their presence, even after postponing the meeting twice due to COVID and the demise of former CM Late Tarun Gogoi. Thereafter, Hon'ble Chairperson asked new members of SAC which had been notified vide No AERC.37/2002/Pt-VI/146 dated 5<sup>th</sup> August, 2020 to introduce themselves. Hon'ble Chairperson opined that all new members should advise the Commission regarding actions, schemes, etc for better functioning of the power sector in the State of Assam.

The welcome address was followed by an introductory session among the members and invitees. Thereafter, the agenda items were taken up for discussion in seriatim. The important points discussed in the course of the meeting are briefly recorded below.

**Agenda: Confirmation of the Minutes of the 26<sup>th</sup> Meeting of SAC held on 13.02.2020.**

The draft Minutes of the 26<sup>th</sup> meeting of the Committee was circulated among the Members and Special Invitees in August 2019. Comments were received from a few members and these were incorporated in the minutes before finalizing. During the discussion Shri K Medhi, Secretary NESSIA advised the Commission to fix the timeline for every action to be taken.

The final minutes were confirmed and accepted by the members.

**Agenda: Action taken on the minutes of the 26<sup>th</sup> Meeting of SAC.**

A power point presentation was made by Assistant Director (Engineering) AERC, Shri J. Bezbaruah on the salient features of action taken reports submitted by the power utilities. Important points of the discussion are noted below-

The members of SAC enquired about the status of 250 MW Natural gas-based power station at Chandrapur and 725 MW Gas based Thermal power station at north bank of

Brahmaputra.APGCL in its action taken report informed that M/S TATA Consulting Engineers Limited has submitted the draft PFRs for setting up of these power stations.

Shri D.K Sarma, Member, SAC advised that there should be a comprehensive generation plan of APGCL so that it can cater to the growing load demand of the state. Hon'ble Chairperson said that Principal Secretary, Department of Power, GoA had already taken note of that.

Regarding high cost of power from NEEPCO's Pare Hydro Electric Project and the expected high cost of power from NHPC's Subansiri Hydro Electric Project, the Hon'ble Chairperson and Hon'ble Member (Technical) advice GoA to take up the matter with MoP. Shri Subodh Sharma also advised APDCL to take up the matter with GoA, he also pointed out regarding high PoC charge on with Hon'ble Chairperson information the members that new regulation by CERC is going to be placed very soon.

Shri Subodh Sharma, Member, SAC advised APDCL to make a study on the Solar project and its commercial effect.

**Agenda: Presentation by Power Grid on NERPSIP Project.**

A brief presentation was made by M/s Power Grid Corporation of India Ltd. on North Eastern Region Power System Improvement Project (NERPSIP),

- Sanctioned Project Cost Rs.1473.80 Cr (Feb'14 price level)
- Revised Project Cost : Rs.1914.58 Cr.
- Funding of the Project : 50:50 (Govt. of India : World Bank)
- Expected Completion: Progressively till Dec'21

In the presentation, PGCIL has also submitted the present progress of EHV SS, Extn. & Aug. of Existing EHV Substations, EHV Transmission Lines, New 33/11kV Substations, Extn. of 33/11kV Substations and 33kV Line,

PGCIL highlighted certain RoW issues where they sought assistance for early completion of the line. Hon'ble Chairperson advised to take assistance from local administration to complete the projects.

**Agenda: Discussion on the approach to the Tariff determination by AEGCL, APGCL and APDCL.**

The three companies APDCL, APGCL, and AEGCL made a brief presentation on the tariff determination for the FY 2021-22. Salient features of the tariff determination as mentioned below –

**APDCL -**

<b>Particulars for FY 2021-22</b>	<b>APDCL Projected (Rs. Crore)</b>
a. Standalone Aggregate Revenue Requirement	6964.4
a1. Addl RoE on enhancement of equity	261.29
A. Net amount without addl RoE (a - a1)	6703.1
B. True up for FY 2019-20	250.14
C. Rebate from CPSU for COVID during FY 20-21	69.99
<b>Total (A+B-C):</b>	<b>6883.25</b>
Average Rate (Rs./kWh)	8.23
Proposed increase (%)	5%

**APGCL -**

<b>Particulars for FY 2021-22</b>	<b>APGCL Projected (Rs. Crore)</b>
Gross Generation (MU)	1480.35
Auxiliary Consumption (%)	3.40%
Net Generation (MU)	1430.27
Total Fixed Charges (Rs. Crore)	220.52
Fuel Cost (Rs. Crore)	151.48
<b>Total Revenue Requirement (Rs. Crore)</b>	<b>371.99</b>
Fixed Charge Per Unit (INR / kWh)	1.54
Energy Charge Per Unit (INR / kWh)	1.06
Proposed Tariff (INR / kWh)	2.6

**AEGCL**

<b>Particulars for FY 2021-22</b>	<b>APGCL Projected (Rs. Crore)</b>
Aggregate Revenue Requirement	427.79
Net Aggregate Revenue Requirement	417.79
Transmission Charge (Rs./ kWh)	0.396

During the presentation of APGCL was asked to give a supplementary tariff petition incorporating estimated generation of NRPP.

**Agenda: Comment and suggestion of the Members.**

MD, APDCL has mentioned that APDCL is going to hold a recruitment drive as the acute shortage of manpower is hampering its functions. Prof. M.P Bezbaruah and Sri Subodh Sharma advised APDCL to train the employees to multitask so that in case of future automation in meter reading and billing the same employees can be engaged in other functions.

Hon'ble Chairperson has emphasized on improving the power quality in the state of Assam and also informed the members that AERC has formulated power quality regulation which is available on the website.

Harsh Sutodia, Member, AIMO acknowledged the working of the power utilities during the pandemic situation and managing the power situation efficiently during this time. He advised APDCL in regards to ease the process of service connection to HT consumers. He mentioned that the power supply to the industries and tea gardens of Golaghat and Tinsukia has been unreliable during past months which will adversely affect the revenue of APDCL. In this regard, ABITA added that the progress of work of the dedicated tea garden feeder is very slow. Hon'ble Chairperson advised MD, APDCL to co-ordinate with ABITA to ensure early completion of tea garden dedicated feeders so that power supply to tea gardens become reliable.

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

**Sd/-**

**Secretary,**

**Assam Electricity Regulatory Commission**

## **ANNEXURE-1**

### **LIST OF MEMBERS, SPECIAL INVITEES AND OFFICERS PRESENT.**

#### **Members**

1. Shri Subhash Ch. Das, IAS (Retd.), Chairperson, AERC
2. Smt. Bulbuli Borthakur, Member (Law), AERC
3. Shri Satyendra Nath Kalita, Member (Technical), AERC
4. Shri Neeraj Verma, IAS, Principal Secretary, GoA, Deptt. Of Power (Elec)
5. Shri Probin Ch Bora, Joint Secretary, Department of Food, Civil Supplies & Consumer Affairs, GoA
6. Shri Subodh Sarma, Power Engineer
7. Shri Champak Barua, Former – Member (Technical), APDCL
8. Shri Dilip Sarma, Former Executive Director, Power Grid
9. Shri Uttpal Kr Sharma, representative from Senior Engineers Forum, Guwahati
10. Shri Abhijit Sharma, Secretary, ABITA
11. Shri Harsh Sutodiya, EC Member, AIMO, Assam
12. Shri J N Baruah, General Secretary, AASSIA, Assam
13. Shri Saurabh Agarwal, Chairperson, FINER
14. Shri Sailen Baruah, President, NESSIA
15. Shri Kumud Ch Medhi, General Secretary, NESSIA
16. Shri M P Bezbaruah, Professor, Guwahati
17. Shri A B Kandali, Associate Professor, JEC

#### **Special Invitees**

1. Sri Rakesh Agarwal, IAS, MD, APDCL
2. Shri Dhruvajyoti Hazarika, MD, AEGCL
3. Shri Balbir Singh, Sr. GM, PGCIL
4. Shri Somiran Das, Sr. DGM, PGCIL

#### **Officers from APDCL, AEGCL & APGCL**

1. Shri Chandan Sharma, CGM, SLDC, AEGCL
2. Shri Deepankar Deka, CGM (O&M), AEGCL
3. Shri P K Saikia, CGM (PP&D), AEGCL

4. Shri A K Nath, GM (HQ), AEGCL
5. Shri G K Bhuyan, GM, AEGCL
6. Shri Suresh Kaimal, DGM (F&A), AEGCL
7. Shri H S Mohan, DGM, SLDC, AEGCL
8. Shri A J Choudhury, AGM (HQ), AEGCL
9. Shri Ashok Kalita, CGM (Gen), APGCL
10. Shri A Bhuyan, CGM (PP&I), APGCL
11. Shri J P Choudhury, CGM (NRE), APGCL
12. Mrs Lipika Das, AGM, APGCL
13. Mrs Pinki Deb, AM(F&A), APGCL
14. Shri Prodyut Kr Nath, JM, APGCL
15. Shri Nilmadhab Deb, AGM (F&A), APDCL