

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
5th Floor, Metro Plaza, Bittan Market, E-5, Arera Colony, Bhopal - 462016



Petition No. 67 / 2024

PRESENT:

Gopal Srivastava, Member (Law)
Prashant Chaturvedi, Member

IN THE MATTER OF:

Determination of ARR of SLDC Jabalpur for FY 2025-26, Levy and Collection of Fee and Charges by SLDC for FY 2025-26 and True-up of ARR for FY 2023-24.

State Load Despatch Centre (SLDC), MPPTCL, Jabalpur

- Petitioner

Versus

- 1. M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd. Jabalpur**
- 2. M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd. Bhopal**
- 3. M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. Indore**
- 4. M.P. Power Management Co. Ltd. Jabalpur**
- 5. M.P Industrial Development Corporation Ltd. Indore**
- 6. West Central Railways, Jabalpur**

- Respondents

ORDER
(Passed on this day of 4th March 2025)

1. This order relates to petition No. 67 of 2024 filed by the State Load Despatch Centre, MPPTCL Jabalpur (hereinafter referred to as "SLDC") for "Levy & Collection of Fee and Charges by SLDC for FY 2025-26" before Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as "the Commission"). As per MPERC (Levy & Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004 Revision - 1, 2006 (hereinafter referred to as "Regulations"), SLDC is required to file the petition by 31st October every year.
2. In exercise of the powers conferred under section 31(1) of the Electricity Act, 2003, vide order No.2489/13/04 dated 17-05-2004, the Government of Madhya Pradesh notified the State Load Despatch Centre, Jabalpur as apex body to ensure integrated operation of the power system in the state, to be operated by the State Transmission Utility (hereinafter referred to as "STU").
3. As per section 32(3) of the Electricity Act 2003, SLDC may levy and collect such fee and charges from the Generating Companies and Licensees engaged in intra-state transmission of electricity as may be specified by the State Commission. In exercise of powers conferred under Section 183 of the Electricity Act, 2003, the Ministry of Power, Government of India issued an order for "Removal of Difficulties" on 8th June, 2005 (S.O. 795(E)) in respect of levy and collection of fees and charges for using the transmission systems. As per the order, "the SLDC may levy and collect such fee and charges from the Licensees using the intra-state transmission system as may be specified by the State Commission". Accordingly, SLDC charges are payable by Licensees / users.
4. SLDC vide letter no. 07-05/E&T/645/XXII/1582 dated 30/10/2024, filed the subject petition for levy & collection of Fee and Charges by SLDC for FY 2025-26. SLDC has broadly submitted as under:

A. SLDC has claimed the following **ARR for FY 2025-26** in the petition:

S. No.	PARTICULARS	(Rs. Lakhs)
1	Employee Cost	1433.57
2	Administration and General Charges	375.04
3	Repairs and Maintenance Expenses	284.59
4	Depreciation	0
5	Interest and finance charges	0
6	Return on equity/Investments	0
7	Provision for Income Tax	0
Total		2093.20
8	Less: Revenue from other Charges (i.e Scheduling & Operation charges (50%), Connectivity charges & Application Processing Fee	252.03
9	Less: Other Income	50.00
Net Revenue Requirement for FY 2025-26		1791.17

B. Further, SLDC has also filed **True-up of ARR for FY 2023-24** on the basis of Financial Statements of SLDC for the FY 2023-24 as under:

Expenses:

(Rs. Lakhs)

Particular	Expenses as allowed in ARR for FY 2023-24	Actual Expenses for FY 2023-24	Differences (Allowed-Actual) to be reconciled
Employee Costs	1386.53	1365.13	21.40
Administration & General Expenses	271.52	219.19	52.33
Repairs & Maintenance Expenses	219.64	189.07	30.57
Total	1877.69	1773.39	104.30

Income from other Fee & Charges:

(Rs. Lakhs)

Particular	Income as allowed in ARR for FY 2023-24	Actual income for FY 2023-24	Differences (Allowed-Actual) to be reconciled
50% of Scheduling & Operating Charges.	133.00	120.12	12.88
Connectivity Charges	18.00	13.15	4.85
Application Charges	100.00	68.05	31.95
Sub Total	251.00	201.32	49.68
Other miscellaneous receipts as mentioned in Form F2 (Excluding PSDF Grant (Deferred Income on PSDF Grant (Rs 37.05 Lakhs and Interest on SLDC Capex Fund Account of Rs 66.77 Lakhs) total Rs 103.82 Lakhs	5.00	66.16	-61.16
TOTAL	256.00	267.48	-11.48

Net amount for True-up of ARR for FY 2023-24, to be adjusted and subtracted from ARR of FY 2025-26 as submitted by SLDC works out to Rs Lakhs (104.30 - (-11.48) i.e. Rs.115.78 Lakhs.

5. The petitioner prayed the following in the subject petition:
 - i. Accept and pass Fee and Charges of State Load Despatch Centre Jabalpur for FY 2025-26 as Rs. 1791.17 Lakhs towards revenue expenditure along with True-up for FY 2023-24.
 - ii. Issue suitable order for distribution of the Fee and Charges among the licensees using the intra-state transmission system as specified by the Commission.

Procedural History:

6. Motion hearing in the matter was held on the 10/12/2024. Having heard the petitioner, the petition was admitted. The petitioner was directed to serve copy of petition to all Respondents within a week and report its compliance to the Commission. The Respondents were directed to file their reply to the petition within two weeks, thereafter and serve a copy of their aforesaid reply to the petitioner simultaneously. The petitioner was directed to file rejoinder within two weeks, thereafter. The petitioner was further directed to submit draft public notice on the gist of the petition in Hindi & English within a week. It was stated that the information gaps and additional details / documents required by the Commission for processing the petition will be communicated to the petitioner separately.
7. The Commission vide letter No. 12 dated 03/01/2025 directed the petitioner to submit reply to the issues mentioned in the subject letter. The details of the issues raised & the response of SLDC is as under:

(i) Issue:

At table under para 7.8 of the subject petition, Capex requirement for FY 2025-26 is mentioned as Rs 1403.00 Lakhs. At para no. 30 (i) of the order dated 06/12/2021 in earlier petition No. 28/2021, the Commission has considered capex plan for five years period of FY 2021-22 to FY 2025-26 which included the Capex plan of Rs 105 Lakhs for FY 2025-26. In last year's petition No. 59/2023, the Capex requirement was considered as Rs 2962.25 Lakhs for FY 2025-26 at para no. 11 of Order dated 21/02/2024. The reasons for wide changes in Capex requirement were sought. A chart to reconcile SLDC's submission in subject petition with that of last years' petition was also sought.

SLDC's Response:

It is submitted that in Original Capex Plan which was sanctioned vide order dated 06.12.2021, the cost of replacement/upgradation of SCADA/EMS at SLDC Jabalpur, back-up SLDC Bhopal & Sub SLDC Indore, SLDC has considered Rs 1500 Lakhs whereas in P. No. 23/2023 (replacement/Upgradation of SCADA/EMS system at SLDC/backup/Sub SLDC) total project cost of Rs. 7000 Lakhs i.e. Rs 700.00 Lakhs, Rs 2800.00 Lakhs, Rs 3500.00 Lakhs in FY 2023-24, FY 2024-25 & FY 2025-26 respectfully were considered. The Commission vide order dated 29.09.2023 has approved the project. However, due to delay in tendering process at Grid-India, this work has now been considered starting from FY 2025-26. The main reason in change in Capex requirement is due to shifting of work regarding replacement/upgradation of SCADA/EMS at SLDC, Jabalpur, back-up SLDC

Bhopal & Sub- SLDC from FY 2023-24 to FY 2025-26. However, a part of this some very critical and important work has also been considered in P. No. 67/2024 in comparison to P. No. 59/2023. The details of work considered in P. No. 59/2023 & work considered in P. No. 67/2024 along with reconciliation and reason has been enclosed with reply.

(ii) Issue:

The Commission granted in-principle approval on installation of new SCADA / EMS at SLDC vide Order dated 29/09/2023 in P. No. 23/2023. The latest status along with compliance of terms & conditions in the matter was sought.

SLDC's Response:

The replacement of SCADA/EMS system of SLDC Jabalpur, Backup SLDC Bhopal and Sub-LDC Indore is proposed through Grid-India, as per agreement signed between SLDC and Grid-India. The petition for approval of the SCADA/EMS replacement project was filed vide No. 23/2023 with estimated cost amounting to Rs. 7000 Lakhs. The Project was to be completed before expiry of AMC of existing system. However, as informed by Grid-India, the project gets delayed due to interstate coordination and other issues. The present status of the project, as per the email received from RLDC are enclosed given hereunder: -

"Consequent to evaluation of bids submitted under Stage 1 Envelope, commercial bid was opened on 16 Oct 2024. Considering the single response received in the 2nd Stage, Post Bid Discussions for rate justification and related clarifications on quoted price schedules are being carried out. Accordingly, committee recommendations shall be submitted for approval of GRID-INDIA Board for further needful."

(iii) Issue:

The subject petition includes True-up of ARR for FY 2023-24. Therefore, SLDC was asked to submit information of actual achievement of Capex Plan during FY 2023-24 vis-a-vis the Capex plan already approved by the Commission for FY 2023-24. Reasons for delay or for undertaking any unapproved work were also sought.

SLDC's Response:

The details of actual achievement of Capex Plan during FY 2023-24 vis-à-vis Capex plan approved by the Commission for FY 2023-.24 along with reason for delay or for undertaking any unapproved work is enclosed.

(iv) Issue:

At para 11 of the order dated 21/02/2024, Capex requirement table upto FY 2025-26 was given. Updated information in similar format for 3 year period from FY 2023-24 to FY 2025-26 was sought.

SLDC's Response:

The Capex requirement table for FY 2023-24 to FY 2025-26 is given below:-

(Rs. Lakhs)

S. No.	Particulars	2023-24	2024-25	2025-26	Total
1	Availability of fund for Capex (Approved/Projected)	120.11	146.3	160.93	427.34
2	Previous year Balance	2342.98	2504.5	2695.3	2342.98
3	Interest on Capex Fund (Gross) @ 5.25%	66.77	133	50	249.77
4	Total Capex Available (1+2+3)	2529.86	2783.8	2906.23	3020.09
5	Capex Requirement	25.36	88.5	1489	1602.86
6	Cumulative Surplus (4-5)	2504.5	2695.3	1417.23	1417.23

(v) Issue:

Form F4 shows that with same staff strength of 78, the Salary expenses is estimated to reduce from Rs 816.15 Lakhs in FY 2024-25 to Rs 755.81 Lakhs in FY 2025-26. Reasons for such variation and details thereof were sought.

SLDC's Response:

Details regarding Employee cost furnished in form F-4

The projection towards employee cost has been considered on the basis of employee strength as on 30.09.2024. the same strength has been shown for FY 2024-25 & FY 2025-26. However, while projection for FY 2025-26, the projection towards retired officer/employee has been considered up to date of their retirement. So that basic pay of employees has been reduced from Rs 816.15 Lakhs for FY 2024-25 to Rs 755.81 Lakhs for FY 2025-26. The projection for employee cost for FY 2025-26 is given with reply.

(vi) Issue:

Para 4(vi) of Annexure - I of the petition mentions about lumpsum projection for training and certification fees for specialist level programs. Details thereof was sought. Further, CEA's letter dated 02/12/2024 on training & certification of LDC staff was also sought in this regard.

SLDC's Response:

As per CEA's Letter dated 02.12.2024, SLDC is required to ensure basic level and Advance level training of the officer/employee working in control room and other locations. Further, as per CEA (Cyber Security in Power Sector Guidelines, 2021, all SLDC officers/employees engaged in O&M of IT & OS Systems are required to undergo course on Cyber Security of Power Sector from any of the training institute designated by CEA. Accordingly, SLDC is required to depute its staff on various training programs on Basic/ Advance level trainings conducted by NPTI. Similarly, SLDC is also required to depute its officers for attending basic, intermediate, advance training on Cyber

Security conducted by NPTI/PSTI. Approx 28 officer/employee have been deputed for Advance level training and approx. 41 no. of officer/employee have been deputed basic level training. Depending on the number of courses organized by these institute, SLDC is required to depute for various training program and enhance lumpsum provision has kept in this regard.

(vii) Issue:

The reasons for increase in “work out sourcing expenses” from Rs. 52.06 Lakhs in FY 2023-24 to Rs. 120.38 lakhs in FY 2025-26 along with the prevalent practice and approval from Competent Authority in the matter, were sought.

SLDC's Response:

Details of Administration & General Expenses Furnished in Form F-5:

The projection of Rs 120.38 Lakhs for FY 2025-26 has been considered on the basis of presently working of 18 Computer operators for Rs 44.15 Lakhs, projection towards housekeeping charges of Jabalpur, Bhopal and Indore of Rs 26.23 Lakhs and estimated amount towards outsource the works related to Cyber security, ABT related works and Account & Finance related works of Rs 50.00 Lakhs.

As SLDC is facing acute shortage of staff/officers, and hence in order to carry out important work of round the clock/ time limit works, it is required to outsource some of the activities. Accordingly, approval for work related to cyber security and Outsourcing for monitoring of real time data have been obtained from the MD, MPPTCL and tendering process is under progress. In addition to this, approval for work related to ABT department and Finance & Account is also under process and shall be obtained at the earliest. It is requested that Commission may kindly allow expected expenditure of Rs 120.38 Lakhs for FY 2025-26 towards outsourcing of works and actual expenditure may be considered during the true-up process for FY 2025-26.

(viii) Issue:

The reasons for increase in “Legal Charges” from Rs. 2.42 Lakhs in FY 2023-24 to Rs. 20.00 lakhs in FY 2025-26 were sought.

SLDC's Response:

The lump sum provision of legal charges is considered to meet out any legal charges which is required to pay in cases related to MPERC, CERC, APTEL, High Courts and Supreme Court as fees of advocates of APTEL, HIGH Court and supreme court is very high and increase in number of cases is also observed.

(ix) Issue:

The reasons for increase in “Miscellaneous Expenses/Discount to Customer for timely payment of SLDC Bills” from Rs. 4.08 Lakhs in FY 2023-24 to Rs. 32.00 lakhs in FY 2025-26 were sought.

SLDC's Response:

The projection under the head Miscellaneous Expenses/Discount to Customers for timely payment of SLDC Bills has been considered Rs 6.00 Lakhs and provision towards Disaster Management Fund as 1.5% of ARR (i.e Rs 26 Lakhs) as per Disaster Management Act, 2005. It is submit that the provision has been made as per minutes of the 1st Western Region Disaster Management Group of Western Region meeting held on 12.07.2024 through hybrid video conference mode. The relevant point of the meeting is enclosed with reply.

(x) Issue:

It is observed that the actual expense on plant and machinery was Rs. 25.78 lakhs during FY 2023-24. This is projected as Rs. 52.09 lakhs during FY 2025-26. The reasons for substantial increase in this head was sought.

SLDC's Response:

The projection towards Repairs & Maintenance of Plant & Machinery has been considered of Rs 52.09 Lakhs which is comprises of repairs & maintenance of SLDC Plant & Machinery, CCTV camera, AC Plant, AMC of Wide Band Communication System, Maintenance of Auxiliary Power Supply System and AMC of REMC SCADA/EMS System. It is to mention that AMC expenses of REMC system has been meet out through grant received from Government of India through Power Grid till FY 2024-25. However, the same is required to be meet out from partly from R&M of SLDC. Further, the increase in R&M cost towards plant and machinery is due to increase in labour cost and spares cost and increase in number of systems /equipment, increase in complexity, sophistication of the equipment.

(xi) Issue:

During FY 2023-24, actual expense on Civil works is Nil. However, for FY 2025-26 these are expected to be Rs 33 Lakhs. The reasons for increase in proposed expenses along with supporting documents was sought.

SLDC's Response:

The provision for civil maintenance works for next year mainly comprise of Civil Maintenance of SLDC building: repairing of compound wall of SLDC Building, General Internal Civil Maintenance work, General Civil Maintenance work of Water supply sanitation I/C renovation of Sanitation System of SLDC Building. Civil Maintenance work of Newly Allotted Premises, maintenance of back-up SLDC Building i.e roof treatment, painting and distemper of SLDC Building/ Sub-LDC Building and Concertina coil fixing to Compound wall at SLDC Jabalpur etc. are considered on the basis of requirement received from civil department and taken up in 2025-26. It is expected that pending civil maintenance work shall be carried out during the FY 2025-26.

(xii) Issue:

For lines, cable networks and meters, the actual expense during FY 2023-24 was Nil. However, for FY 2024-25 these are estimated to be Rs 30 Lakhs and then for FY 2025-26 these expenses are expected to be Rs 5 Lakhs. The

petitioner was asked to submit details in support of its projected expenditure under this head.

SLDC's Response:

As approved by WRPC & NPC, the integration of Interface Energy Meters (IEM) into SCADA/EMS system is to be arranged for minimizing difference of deviation between SCADA values and Energy Accounting. As per WRPC decision, MP has to bear the cost of integration in central sector substations also. Accordingly, based on the estimated cost for one sample substation, the approval was obtained from MD, MPPTCL and estimated towards Integration of Special Energy Meters (SEM) in to SCADA/EMS system at central sector substations of Rs 30.00 Lakhs each in FY 2024-25 is considered in R&M cost. Accordingly, the work has been considered in FY 2024-25. One pilot project has been completed in FY 2024-25, the payment of the same may be reflected in FY 2025-26. This is research project approved by National Power Committee (NPC) and required to be carried out one time. Hence, the projection has been taken of Rs 5.00 Lakhs. It is requested that Commission may approve this cost towards Integration of Special Energy Meters (SEM) in to SCADA/EMS system.

(xiii) Issue:

The application processing fee for STOA was Rs 68.05 Lakhs during FY 2023-24. During FY 2024-25 it is expected to increase to Rs 100 Lakhs. However, for FY 2025-26 it is estimated as Rs 80.00 Lakhs. The details of actual revenue under this head till Dec' 2024 & its total expected value during FY 2024-25 was sought. The petitioner was also asked to submit reasons for not expecting increase in this head of revenue during FY 2025-26.

SLDC's Response:

The projection of Application Processing Fee has been considered on the basis of previous year earning. However, due to GNA regulations, MPPMCL bilateral application has been reduced, so there is fall in Application Processing Fee. It is to submit that 1178 No. of STOA Application has been processed in FY 2023-24 up to Dec -2023, whereas only 492 No. STAO application are processed up to Dec-2024 in FY 2024-25. As per application processed up to Dec-2024, Thus, total expected income under this head shall be less than projected Rs 80.00 Lakhs. It is requested that Commission may allow application processing fee is Rs 80.00 Lakhs and actual income may be considered during the True up process. It is requested that Commission may consider actual income during the True-Up process for FY 2025-26.

(xiv) Issue:

Form F2 shows that deferred income from miscellaneous charges was Rs 82.26 Lakhs during FY 2023-24. These are expected to reduce to Rs 45.00 Lakhs during FY 2025-26. The petitioner was asked to submit reasons for the reduced projections for FY 2025-26 and also about accounting treatment of this receipt.

SLDC's Response:

Details of Revenue from other income furnished in form F-2:

It is submitted that amounting to Rs 82.26 Lakhs mentioned in serial no. 9 under the head Miscellaneous charges (Deferred Income on PSDF Grant)/Deferred Income on MP SLDC REMC Grant) are comprises of Rs 37.04 Lakhs towards Deferred Income on PSDF Grant & Rs 45.22 Lakhs towards Deferred Income on MP SLDC REMC Grant. It is to mention that amount mentioned in Form F 2 for FY 2025-26 is Rs 45.00 Lakhs which is related to Deferred Income on MP SLDC REMC Grant.

It is to submit that SLDC has not considered Rs 37.04 Lakhs Deferred Income on PSDF for FY 2025-26 as SLDC has not claimed Depreciation on Asset created through PSDF Fund. It is to submit that as per accounting procedure, Deferred Income has been shown in credit side of Profit & Loss account and Depreciation charged on assets created through Grant has been debited to Profit & Loss account so that there is no impact in Profit & Loss statement of the company. Regarding REMC grant which is being received for revenue expenditure (i.e AMC charges of REMC SCADA system) by Power Grid has been claimed by SLDC in Form F2 as SLDC has also claimed AMC charges of REMC SCADA system in Form F-6. It is requested that Commission may allow SLDC to claimed actual income in true-up process in FY 2025-26.

(xv) Issue:

Form F2 shows that Interest Income from Investments (SLDC Capex Fund) was Rs 66.77 Lakhs during FY 2023-24. These are estimated as Nil during FY 2025-26. The petitioner was asked to submit reasons for such projection for FY 2025-26.

SLDC's Response:

The Interest on SLDC Capex Fund for FY 2025-26 has not been shown in form F-2, as the Interest on SLDC Capex Fund is credited to SLDC Capex Fund and it is not considered for ARR of SLDC, hence not shown in Form-F2 for FY 2025-26. However, the same has been considered in Capex requirement table at para 7.8A of the petition.

(xvi) Issue:

SLDC has submitted its balance sheet and audited accounts for FY 2023-24 along with the petition and has submitted information for true-up of its ARR for FY 2023-24. However Independent Auditor's Report & Auditor's Notes on Financial Statements have not been enclosed. These were sought. Further steps taken by SLDC to recover the Short term receivables from MPPTCL of Rs 911.13 Lakhs were also sought.

SLDC's Response:

The separate financial statement of SLDC has been prepared on the basis of Audited accounts of MPPTCL, so independent Auditors' Report & Auditor's Notes on Financial Statements have not been available as SLDC is not a separate company. Further, it is to mention that Short Term Receivable is

showing Rs 911.13 Lakhs which is comprises of SLDC Capex Fund amount of Rs 94.75 Lakhs and other balance is due to inter unit transaction between RAO SLDC and Head office. SLDC is pursuing to finance section to transfer the balance capex fund amount to SLDC Capex Fund Bank Account.

(xvii) Issue:

Note no. 6 shows SLDC Capex Fund Bank A/c balance as Rs 2397.38 Lakhs as on 31/03/2024. However, table under para 7.8 of the petition mentions it as Rs 2504.50 Lakhs. A chart to reconcile the figures was sought.

SLDC's Response:

The difference of Rs 107.12 Lakhs between SLDC Capex Fund Bank account and Capex Fund Balance show in Petition is due to non-transfer of Rs 94.75 Lakhs of Capex Fund for FY 2023-24 and TDS amount of Rs 12.38 Lakhs, which is deducted on Interest on SLDC Capex Bank Account.

(xviii) Issue:

A note on proposed use of Cash & Cash equivalents mentioned as Rs 27636.24 Lakhs was sought.

SLDC's Response:

The Cash and Cash equivalents mentioned as Rs 27636.24 Lakhs comprises of following bank accounts/head: -

S. No.	Bank Account/ Head	Amount (Rs. Lakhs)
1.	DSM Bank Account	25202.84
2.	SLDC Capex Fund Bank A/c	2397.38
3.	Other Revenue Account	29.51
4.	Temporary/Revolving Advance	6.51

It is submitted that balance of DSM bank account is against liability of Rs 25335.16 Lakhs for DSM/RE-DSM/RE Pool Fund A/c which is mentioned in Note 12 of the financial statement of SLDC for FY 2023-24. The DSM bank account balance shall be utilized towards DSM liability as per Regulations and as per directives of MPERC.

The balance available in SLDC Capex Fund Bank Account shall be utilized towards Capital Expenditure of SLDC. Other balance in other revenue account and Temporary/Revolving Advance is available for utilization towards revenue expenditure of SLDC.

8. SLDC vide its letter No. 26 dated 08/01/2025 submitted draft public notices on the gist of the petition. The Commission vide letter No. 75 dated 13/01/2025 directed SLDC to publish the approved public notices in leading Hindi & English newspapers within 3 days and to upload public notice, petition along with all Annexure and documents prominently on the SLDC's website. SLDC was further directed to submit its response on the comments / objections / suggestions received from the public / person(s) to the Commission by 04/02/2025.

9. In response, SLDC vide its letter No 98 dated 24/01/2025 submitted that the approved public notice has been published in Hindi in Dainik Bhaskar Bhopal & Nai Duniya Indore and in English the Hitavada Jabalpur, on 16.01.2025. The public notice and petition were also uploaded on SLDC's website. SLDC vide its letter No. 205 dated 05/02/2025 submitted that it has not received any comments / objections / suggestions from the respondents or public.
10. Public hearing in the matter was held on **11/02/2025** through Video Conferencing. The representatives of SLDC appeared during the public hearing. No stakeholder submitted any comments / objections. None of the stake holders was present during public hearing. The Commission heard the petitioner and the case was reserved for Order.
11. **Disclaimer for Rounding:**
In this Order, certain numbers as a whole, upto several decimal places have been rounded up or down. Therefore, there may be discrepancies between the totals of the individual numbers shown in the tables upto two decimal places and numbers given in the corresponding analysis in the text of this order.

Fee and Charges for FY 2025-26

Capital Cost

12. **Petitioner's submissions:**

(A) *The Commission has approved capital expenditure plan of SLDC for the period FY 2021-22 to FY 2025-26 vide order dated 06.12.2021 along with SLDC fee and Charges for FY 2021-22. The present status of various capex works is enclosed. The details of Capex Fund as on 31st March 2024 is given below:*

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

(Rs. Lakhs)			
<i>Financial Year</i>	<i>Operation & Scheduling Charges.</i>	<i>50% of O&S treated as Income</i>	<i>Year Wise Capex Fund (2-3) = 4</i>
1	2	3	4
2006-07	39.18	19.59	19.59
2007-08	67.64	33.82	33.82
2008-09	125.37	62.69	62.69
2009-10	151.57	75.79	75.79
2010-11	202.92	101.46	101.46
2011-12	185.43	92.72	92.72
2012-13	265.63	132.82	132.82
2013-14	265.74	132.87	132.87
2014-15	363.81	181.91	181.91
2015-16	364.39	182.20	182.20
2016-17	407.94	203.97	203.97
2017-18	508.83	254.42	254.42
2018-19	572.79	286.40	286.39

2019-20	644.19	322.10	322.10
2020-21	611.89	305.95	305.95
2021-22	680.03	340.02	340.01
2022-23	238.43	119.22	119.22
2023-24	240.23	120.12	120.11
Total (A) as on 31.03.2024	5936.01	2968.01	2968.00

The Details of Actual Capital Expenditure for the FY 2006-07 to 2023-24.

(Rs. Lakhs)				
Financial Year	Category of Expenditure (A/C Code)			Year wise Total
	Fixed Assets (10)	Capital works in progress (14)	Capital Advance	
2006-07	25.66			25.66
2007-08	14.73			14.73
2008-09	5.96	0.9		6.86
2009-10	0			0
2010-11	28.82			28.82
2011-12	9.43	61.89		71.32
2012-13	1.83	42.92	7.8	52.55
2013-14	92.55	-41.27	0	51.28
2014-15	22.73	-8.69	-7.8	6.24
2015-16	7.55	-0.39	0	7.16
2016-17	14.79	70.81	0	85.6
2017-18	16.02	168.18	0	184.2
2018-19	319.72	-127.09	0	192.63
2019-20	-30.56	21.3	0	-9.26
2020-21	27.34	-6.04	0	21.30
2021-22	249.65	-182.51	0	67.14
2022-23	8.49	0	0	8.49
2023-24	25.36	0	0	25.36
Total (B)	840.07	0.01	0	840.08

(i) Less:- Funded through PSDF	247.56
(ii) Less:- Funded through MPPTCL Fund	5.29
Fund Utilized through Capex Fund (B Less (i & ii) =C)	587.23
Net Capex Fund As on 31.03.2024 (A-C)=(D)	2380.76
Add:- Interest on Capex Fund	123.74
Capex Fund As on 31st March 2024	2504.50
Less:- Already Transferred by MPPTCL to SLDC (E)	2286.01
Less:- Net Interest credited to Capex Fund	111.36
Less:- TDS on Interest credited to Capex Fund	12.38
Net Fund to be transferred from MPPTCL to SLDC (D-E)=(F)	94.75

It is submitted that MPPTCL has already released Rs. 1311.91 Lakhs on dated 19.08.2021 and Rs. 974.10 in five installments in February 2024, totaling Rs. 2286.10 lakhs to SLDC Capex Bank Account, total capex fund up to FY 2022-23. The total interest earned on Capex Fund Bank account is Rs. 123.74 Lakhs up to FY 2023-24. Further, SLDC is also perusing the Finance Section of MPPTCL to transfer the balance amount of Rs. 94.75 Lakhs in SLDC Capex fund Bank A/c.

Status of Major Capital Plans:

(i) Status of Project for “Replacement/upgradation of SCADA/EMS at SLDC Jabalpur, Backup SLDC Bhopal & Sub SLDC Indore: -

The Commission has already granted in-principal approval for “Replacement /up gradation of SCADA/EMS at SLDC Jabalpur, backup SLDC Bhopal & Sub SLDC Indore vide order dated 29.09.2023 in P. No. 23 of 2023. The Commission has directed SLDC to submit updated status of the proposed works with the petition to be filed by the SLDC for determination of fees and charges.

The SCADA/EMS system of all Indian RLDC and SLDC is being replaced in unified manner. The SCADA/EMS system of WRLDC along with all WR states (MP, Chhattisgarh, Maharashtra, Gujrat, Goa, Daman & Diu) is being done through single tender in unified manner by GRID-India. The tender for the unified project of WR was invited by Grid-India and price bids has already been opened in October 2024. The finalization of successful bidder for the project is expected.

The agreement for implementation of the SCADA/EMS system of MP SLDC was signed with POSOCO (now Grid-India) in December 2020. The Approval from Board of Director (BOD) of MPPTCL for placement of order as per lowest bidder finalized by Grid-India was also obtained in 119th Meeting of BOD of MPPTCL. However, being multi state project, the project has been delayed. The extended AMC of existing SCADA/EMS system of WR shall be expired by Nov 2025. The new project shall require around eighteen months for project implementation along with parallel operation. Accordingly, the order for the new SCADA/EMS project shall be issued as soon as the case is finalized by Grid-India.

In view of above, it is requested that Commission may issue necessary directive for issue of order for “Replacement /up gradation of SCADA/EMS at SLDC Jabalpur, backup SLDC Bhopal & Sub SLDC Indore” by SLDC on finalization of the order by Grid India.

Considering expected project implementation schedule, the estimated cost of projected has been considered in Capital Expenditure Plan of SLDC for FY 2025-26, FY 2026-27 & FY 2027-28.

(ii) Implementation of Jabalpur Islanding Scheme: -

As per clause Clause-10 of Central Electricity Authority (Grid Standards) Regulations, 2010, islanding schemes are required to be implemented for survival of some predefined generation and supply of loads at the time of Grid disturbance to avoid total blackout. Accordingly, Jabalpur islanding scheme was prepared so that during grid failure with dropping frequency, the major loads of Jabalpur could be fed through 210 MW Amarkantak Thermal Power Station by creating the island.

In the islanding scheme approximately 185 MW important loads of 220 KV Jabalpur, 132 KV VFJ, 132 KV Vinoba Bhawe, 220 KV Gora Bazar is proposed to be fed through ATPS generation of 210 MW (185 MW Ex-Bus).

The DPR for Jabalpur Islanding scheme was prepared and submitted to NLDC for getting grant. PSDF committee vide sanction letter NLDC-PSDF/MPPTCL-356/2023-24 dated: 23rd August, 2023 has sanctioned the 90% of the project cost as grant subjected to maximum of Rs 5.08 Crore. The tender for the PMU based Jabalpur islanding scheme, as per the BOQ sanctioned by PSDF monitoring committee, was invited in December 2023. The tender is now finalized and order is to be issued. As per lowest offer received through open tender, the fund requirement for the project shall be given as under:

S. No.	Particulars	Rs. Lakhs
01	Total Project Cost	700.00
02	PSDF Grant Approved	508.00
03	Requirement from SLDC Capex Fund	86.00
04	Five years AMC cost	106.00

As per the terms and conditions of tender for islanding scheme, the islanding project is to be completed within nine months of notification of award. Accordingly, the project shall be completed in 2025-26 and Rs. 86.00 Lakhs requirement is considered in FY 25-26 for Jabalpur Islanding Scheme.

(iii) Proposal for Establishment of “Cyber -Security Operation Centre (CSOC) at SLDC Jabalpur.

The State Load Despatch Centre is an apex body to ensure integrated operation of the power system in a State. SLDC is equipped with several OT & IT system like SCADA/EMS system, Unified Real Time Dynamic State Monitoring (URTDMS) system, Renewable Energy Management Centre (REMC) system, ABT, OA & MIS system etc. All these IT & OT systems at SLDC are declared as Critical Information Infrastructure (CII) by GoMP Gazette Notification dated 04-05-22.

As per Information Technology (Information Security Practices and Procedures for Protected Systems) Notification 2018, it is necessary that the organization having “Protected System/CII” shall establish a Cyber Security Operation Centre (C-SOC) using tools and technologies to implement preventive, detective and corrective controls to secure against advanced and emerging cyber threats.

Accordingly, SLDC MP proposed to set-up on-premises state of-the-art Next Generation Security Operations Centre (SOC) which can collate, integrate and analyse logs/ data from various security devices and end-points at extremely high concurrency. In C-SOC following security solutions are envisaged to enhance the robust monitoring of SLDC Critical Information Infrastructure (CII) on 24 x 7 basis: -

- i. Next Generation Security Information and Event Management (NG SIEM)
- ii. Security Orchestration, Automation and Response (SOAR)
- iii. Network Behaviour Anomaly Detection (NBAD)
- iv. User and Entity Behaviour Analytics (UEBA)
- v. Data Base Activity Monitoring (DAM)

The Detailed Project Report (DPR) for establishment of Cyber -Security Operation Centre (C-SOC) at SLDC Jabalpur is prepared based on latest technological solutions available in market. The DPR was submitted to NLDC for grant of fund for establishment of SOC at SLDC. The DPR was discussed in 82nd & 85th Techno-Economic Subgroup (TESG) meetings and forwarded to Cyber Security Division of CEA. Subsequently, the Model BOQ, System Architecture and System Sizing was finalised by CEA and forwarded vide letter dated 11-03-2024. The estimated project cost based on model BOQ finalised by CEA and budgetary offers obtained from renowned vendors is Rs. 12.44 Crore. The abstract of cost estimate is given hereunder: -

S. No.	Particulars	Amount (in Rs. Crore)
A	Capital cost of Project	
1	Hardware & Software cost	9.26
2	Installation and commissioning cost	0.34
	Total	9.6
B	Comprehensive Operation and maintenance cost including cost of Two No. expert manpower round the clock for monitoring of SOC 24*7 for one year	0.94
	Total Project Cost (A+B) ex GST	10.54
	GST @18%	1.90
	Total Project Cost (A+B) inc. GST	12.44

As PSDF guidelines approved by 22nd meeting of PSDF Monitoring Committee, this project for implementation of SOC at SLDC MP is eligible for 90% grant through PSDF. Accordingly, the funding arrangement for project is proposed as detailed hereunder: -

S. No.	Particulars	Amount (in Rs. Crore)
1	Grant from PSDF (90%)	11.20
2	From SLDC Capex Fund (10%)	1.24
	Total Project Cost	12.44

The project is final stage of approval of PSDF grant. The tender for the implementation of the project shall be initiated in Nov-December 2024. The project is expected to be implemented by end of FY 25-26. The fund for the project shall be required in FY 25-26 and FY 26-27. Accordingly, the provision for 40.00 Lakhs in FY 25-26 and 84.00 Lakhs in 26-27 is kept in Capital expenditure Plan of SLDC.

(iv) Replacement of ABT, OA & MIS system of SLDC:

The existing ABT, OA & MIS system installed at SLDC is functioning since 06-03-2021. The ABT, OA & MIS system mainly comprises of application Software and associated Hardware for Scheduling and Despatch, Meter data collection and analysis, Energy Accounting and Exchange of information through web server. The system performs the scheduling and energy accounting of Intra state entities in accordance with Madhya Pradesh Electricity Grid Code and Madhya Pradesh Electricity Balancing and settlement Code and subsequent amendment thereof.

The system is expected to complete its useful life in 2026. Further system is giving trouble in day-to-day maintenance. The system performance is degraded and not giving desired performance due to enhanced data volume, No. of meters etc. The implementation of new regulatory provisions is getting difficult. The system is not compliant to cyber security requirement as per CEA guidelines and implementation of various guidelines issued by statutory bodies, in existing ABT, OA & MIS system is not feasible. Accordingly, the system is now required to be replaced with state-of-the-art new system. The new system is proposed to be replaced with disaster recovery System and Advance cyber security features.

As per budgetary offer obtained from two leading vendors, the expected financial expenditure for replacement of ABT, OA & MIS system shall be as given hereunder:

S. No.	Particulars	Amount (in Rs. Crore)
1	Hardware & System Software cost	7.15
2	Application Software Cost	3.5
3= 1+2	Total	10.65
4	GST @ 18% on above	1.92
5= 3+4	Total Project Cost	12.57
6	AMC cost for Six years	4.2
7	GST @ 18% on AMC Cost	0.76
8= 6+7	Total AMC Cost	4.96
9= 5+8	Total Project Cost (Including AMC Cost)	17.53

The project shall be implemented by issue of Open Tender. The tender is proposed to be initiated in December 2024. Accordingly, the provision for Rs 482, Rs 650 Lakhs, Rs 125 Lakhs has been considered in FY 2025-26, FY 2026-27 and FY 2027-28 respectively in Capital expenditure Plan of SLDC.

(v) Replacement of Video Display and Conferencing System of MP SLDC

The existing Wall Mount Video Conferencing / Display System was installed in the Conference Room of SLDC along with the Unified Load Despatch & Communication Scheme (ULDC) SCADA/ EMS System of WR, in the year 2016. This system has been in use since its installation. The Video Conferencing / Display System has outlived its useful life and also the display has got deteriorated and is not clearly visible to the participants of the meeting. Maintenance support is also not provided by the manufacturer.

This display system was commissioned under ULDC Scheme only for video conferencing amongst the constituents of WRLDC as well as NLDC. It is to submit that this display system is not adequate for the meeting of large number of participants and it is not much useful for meeting purposes. Participants of various meetings convened by SLDC have also complained in this regard. Thus, it is necessary to replace the existing display system with the State of Art new display system having adequate / suitable size, so that the contents of the display system would be clearly visible to all the participants of the meeting. SLDC has contacted various manufacturers / vendors for providing 3 x 3 Matrix (9 Nos. 55" LED) Video Display System. As per budgetary offer obtained from M/s LG Electronics Ltd, the total estimated cost for supply, erection & commissioning work for 3 x 3 Matrix Video Display System (24 x7 Grade) shall be Approximately Rs. 35 Lakhs (Thirty Five Lakhs).

For first week of October, the existing Display system has gone completely out and not restored despite continuous efforts by OEM. Accordingly, the tender for procurement of 3 x 3 Matrix Video Display System has already been issued and technical commercial bids are opened in October 2024 and tender shall be finalized in November 2024. The expenditure for Video Conferencing / Display System replacement shall be met from the Capex fund of SLDC for FY 2024-25 & FY 2025-26.

(vi) Development, Integration, Testing and deployment of API based integration of WRLDC Web Based Energy Scheduling (WBES) System with existing ABT software: -

The existing ABT, OA & MIS system mainly comprises of application software & associated hardware for scheduling & Despatch, Meter Data Collection & Analysis, Energy Accounting and exchange of information through Web Server etc. The scheduling is being performed and energy accounts are issued to Intra State Entities in accordance with Madhya Pradesh Electricity Grid Code and Madhya Pradesh Electricity Balancing & Settlement Code and subsequent amendments thereof.

Recently, WRLDC has installed new WBES system for facilitating scheduling activities at regional level and requested all State Entities to integrated their scheduling system with New WBES of WRLDC as per letter no., WRLDC/MO/CWBES/2024/5 dated 06.05.2024. It is to submit that all the scheduling activities under day ahead or in real time are being performed online through WBES system of the WRLDC. Hence, ABT, OA & MIS system (Eltrix based) installed at SLDC for scheduling purpose is required to be integrated with the new WBES system of the WRLDC for smoothly performing the scheduling activities by SLDC. Accordingly, SLDC has placed the order to Vendor and arrange integration work. The cost of this integration work is Rs 3.50 Lakhs and the same has been taken in SLDC Capex Plan in the FY 2025-26.

(vii) Civil work related to New allotted premise to SLDC near SLDC Building Jabalpur.

SLDC has received possession of old civil office of MPPMCL situated nearest to SLDC premises. Presently condition of old building is not good so that there is requirement to dismantling the old building and required construction of security Hut, Records room, store room and attendant room along with construction of boundary wall with gate at newly allotted premises. In this regard, civil department of MPPTCL has estimated, expenditure of Rs 40.00 Lakhs for above work. Accordingly, the projection of Rs 40.00 Lakhs been taken in Capex Plan in the FY 2025-26.

13. SLDC vide letter No. 98 dated 24/01/2025 also made following additional submissions:

- (A) It is to submit that due to typographical error, the projection of capital expenditure for Jabalpur Islanding Scheme of Rs 86.00 Lakhs has been considered in FY 2026-27 in Capex Plan, while it is to be considered in FY 2025-26 as order has been placed and work in progress. So, the Revised form of petition (S-1, S-2, S-3, S-5, F-7, F-15, CP-1) along with revised statement year wise proposed requirement of Capex Fund as well as Availability of fund is enclosed. It is to submit that there is no change in submitted Annual Revenue Requirement for FY 2025-26 as mentioned in form S-4 of the petition.
- (B) It is submitted that SLDC is required to do Deployment of Data Diode for ensuring hard isolation between OT & IT Systems. As per CEA (Cyber Security in Power Sector) Guidelines, 2021, "There should be hard isolation of OT Systems from any internet facing IT system". Accordingly, the matter was discussed in the various Information Security Steering Committee (ISSC) meetings held at SLDC Jabalpur & the Western Region Cyber Security Coordination Forum meeting held at Raipur in which it was concluded that Hard isolation of OT systems from internet facing IT system may be achieved by deployment of Data Diode. A data diode is a cybersecurity device that enforces one-way data transfer between two networks or systems. It ensures that data can only flow in a single direction, preventing any backflow of data or unauthorized access to the protected network.

As per the NCIIPC alert on Aug-24, there was an attempt for intrusion on OT system by an external malicious IP through IT system. The SCADA/EMS system is functioning round the clock and any compromise on security of SCADA/EMS system may lead to threat on Grid Security. The deployment of data diode to counter such incident is need of the hour. SLDC has approached various companies working in the

field of data diode & one of the companies has agreed to deploy data diode at SLDC for Proof of Concept (POC) and study of its various applications. The POC of data diode is being carried out at SLDC Jabalpur & after successful completion of POC, the technical specifications shall be finalized & then budgetary offer will be obtained. In view of urgency of deployment of data diode, the procurement action will be initiated in February-March 2025 and deployment will be completed in FY 2025-26. Accordingly, the fund for deployment of data diode shall be required in FY 2025-26. However, SLDC has not considered it in CP-1 because cost of the project is not known at present as the work is new and project is to be implemented on priority basis to safeguard IT/OT system of SLDC.

On perusal of these additional submissions, the Commission observed that SLDC shall study the similar works being undertaken by WRLDC and the SLDCs of neighboring Western Region states viz. Maharashtra, Gujarat & Chhattisgarh and take actions following the General terms and conditions of latest Capex Plan approved by the Commission.

Commission's Analysis:

Capital expenditure:

14. Requirement and Availability of Fund: -

- i. Vide order dated 06/12/2021 in Petition No. 28/2021, the Commission has considered capex plan of SLDC for five years period from FY 2022-23 to FY 2025-26 only.
- ii. The Commission vide Order dated 29/09/2023 in Petition No. 23/2023 has granted in-principle approval to the project for "Replacement/upgradation of SCADA/EMS at SLDC Jabalpur, Backup SLDC Bhopal & Sub SLDC Indore" with some terms and conditions mentioned therein. The Commission has mentioned as under in that Order:
"The estimated cost of proposed replacement/upgradation is Rs. 70 Crore only, whereas the SLDC is maintaining amount of Rs. 105 Crore in DSM pool account and the interest earned in State RE Pool account due to flexi-fixed deposit is Rs. 21.86 Crore. SLDC is seeking some relaxations to utilise this amount. However, at this stage, SLDC has prayed for only in principle approval to the capital expenditure and the cost is also not finalized. The Commission has not dealt with the scrutiny of the capital cost. Moreover, looking to the availability of funds as submitted by SLDC, exact funding pattern would be dealt with, after finalization of cost and cash outflow requirements needed thereafter."
- iii. The SLDC was directed to revise the Capex requirement table for same period of FY 2023-24 to FY 2025-26. Since the present petition includes true-up for FY 2023-24 also, so it was felt necessary to look at the actual Capex expenditure for FY 2023-24.
- iv. Accordingly, SLDC has submitted the Capex requirement table for FY 2023-24 to FY 2028-29 as given below:

Year wise proposed requirement of Capex Fund as well as Availability of fund in Rs. Lakhs								
S No	Particulars	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
1	Availability of fund for Capex (Approved/Projected)	120.11	146.30	160.93	177.02	194.73	214.20	1013.29
2	Previous year Balance	2342.98	2504.50	2695.30	1503.23	-2071.00	-5546.27	2342.98
3	Interest on Capex Fund (Gross)	66.77	133.00	50.00	0.00	0.00	0.00	249.77
3	Total Capex Available (1+2+3)	2529.86	2783.80	2906.23	1680.25	-1876.27	-5332.07	3606.04
4	Capex Requirement	25.36	88.50	1403.00	3751.25	3670.00	0.00	8938.11
5	Cumulative Surplus (3-4)	2504.50	2695.30	1503.23	-2071.00	-5546.27	-5332.07	-5332.07

* Interest rate considered @ 5.25 %

- v. SLDC has submitted that Capex fund as on 31st March 2023 was Rs 2342.98 Lakhs. SLDC has submitted that MPPTCL has released Rs 2286.01 Lakhs into SLDC Capex Bank Account upto FY 2022-23. SLDC has submitted that it is pursuing the Finance Section of MPPTCL to transfer the balance amount in SLDC Capex A/c.
15. As per Regulation 10.3 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulation 2004, Revision-1, 2006 (RG-16 of 2006), 50% of Operation and Scheduling charges being received from Long Term / Short Term Open Access Customers (LTOA / STOA), shall be utilized for development of infrastructure at SLDC. The expenditure of proposed capital works shall be met from the 50% of Operation and Scheduling charges. SLDC & MPPTCL should comply with the provisions of Regulation 10.3 of the aforesaid Regulations.
16. The Commission observed that Capex. Plan for FY 2025-26 has already been approved as part of the aforesaid 5-year Capex Plan from FY 2022-23 to FY 2025-26 and SLDC's project for SCADA / EMS has also been granted in-principle approval. As such, SLDC has sufficient resources to carry out the Capex works for FY 2025-26. It is also observed from SLDC's Petition and additional submissions that its Capex Plans get changed for alignment with WRLDC other SLDCs having interconnectivity with MP SLDC. The subject petition is for ARR for FY 2025-26 for which sufficient funds are available with SLDC. SLDC must fulfill terms and conditions mentioned in the relevant Orders.
17. In the next petition for ARR for FY 2026-27, SLDC should file a comprehensive 5 years Capex. Plan for approval. Year wise requirement of CAPEX fund as against

availability of fund projected by SLDC shows that additional funds would be required from FY 2026-27 onwards. MPPTCL & SLDC are hereby directed to tie up funds in advance. The details of funding arrangements should be submitted to the Commission, so that Return on Equity and Interest & Finance charges, if required may be considered while determining levy of SLDC charges in subsequent years as per Regulation 9.2 of MPERC Regulations. If some internal resources like DSM account balances, etc are expected to be used, then these may be mentioned appropriately.

Levy of SLDC Charges:

18. As per clause 9.2 of MPERC (Levy and collection of fee and Charges by State Load Despatch Centre) regulation, 2004, (Revision- 1, 2006) SLDC charges are to be determined based on the following operating expenses:
 - a. O&M expenses comprising Employee Cost, Administration and General Expenses and Repairs and Maintenance expenses,
 - b. Depreciation on assets,
 - c. Interest and finance charges, where loans are identified against capital expenditure
 - d. Interest on working capital, if any,
 - e. Return on equity contributions identified for capital expenditure
 - f. Taxes and duties, and
 - g. Capital cost

Operation and Maintenance Expenses:

Provisions under Regulations:

19. Clause 9.8 of MPERC (Levy and Collection of Fee and Charges by SLDC) Regulations, 2004, (Revision-1, 2006) provides as under:
 - (i) Operation and Maintenance or O&M expenses shall mean expenditure on manpower, repairs, spares, consumables, office administration and general.
 - (ii) Operation and maintenance expenses shall be determined as per actual expenditure incurred by SLDC.

Employee Cost:

20. Petitioner's submission:

In the subject petition, SLDC has submitted as under:

The employee cost for FY 2025-26 has been worked out as per the working strength at SLDC & Sub-LDCs as on 01.10.2024 As per recommendations of "Manpower, Certification and Incentive for system operation and ring-fencing Load Despatch Centers", basic level training and specialist level Certification course for Load Despatch system operation is carried out continuously. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs and various workshop, training etc. has been made during FY 2025-26.

Further, it is submitted that during the FY 2025-26, 6 no. of officer/employee shall be

retired from services. Accordingly, expenditure related to Leave encashment on retirement has been work out and considered in employee cost. It is expected that amount of Rs. 118.88 lakhs shall be required to pay on account of Leave encashment.

The total employee cost works out to Rs. 1433.57 Lakhs (Form-F4). The provisions for vacant posts, terminal benefit on retirement (pension and gratuity) have not been considered in the projected employee cost and it is proposed that the same shall be adjusted in true up, if required to be paid.

Details of Employee cost and Provision in Form F4 is as under:

- (a) No provision is made for vacant posts of SLDC and Sub LDCs. The projection has been made on the basis of actual basic pay & Grade pay drawn by officer & employee for the month of September-2023 plus considering One increment w.e.f. July-24 and applicable allowance thereon.*
 - (b) The detail of sanctioned, working and vacant position in SLDC as on 01-10-2024 is Annexed.*
- Other main assumptions made for employee expenses are as follows:*
- (i) It is submitted that salary projection of retired employee has been considered up to date of their retirement. Necessary adjustment for vacant posts shall be made at a later date, if the vacant post are filled up during Ensuing Year.*
 - (ii) At present, State Govt. has paid the DA @ 46% and Central Government are paying DA @ 50% from w.e.f. January-2024 and it is expected that DA rate may be increased to 53% from July-2024. Hence, SLDC has considered increase in DA in FY 2025-26, @ 56% for first three months, @ 60% for Six months and @ 63% for three months. It is requested that actual DA may be considered in true-up.*
 - (iii) Medical reimbursement for Ensuing Year has been considered @500/- pm per employee.*
 - (iv) Company Contribution for National Pension Scheme (NPS) @ 14% of Basic plus Grade pay plus DA is being contributed by the company for officers/employees who have been appointed in Company Cadre. Accordingly, NPS provision is made in Employee Cost Projection for ensuing year,*
 - (v) The company contribution @ 16.25% (towards Provident Fund 13% (Including the Administrative charges) and Employer contribution towards ESIC on salary of contract employee is also considered in employee cost for ensuing year 2025-26.*
 - (vi) The projection towards training expenses have been made considering training requirements for SCADA/EMS, Wide Area Management PMU's based, Unified real time Dynamic measurement system (URTDSM), Renewable Energy Management Centre (REMC), Security Constraint Economic Dispatch (SECD), Wide Band Communication Systems, IT & Computer systems, Cyber*

Security and Information Security Management System (ISMS), RE forecasting, AGC, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) etc. Accordingly, lumpsum projection for training & certification fees for specialist level and management level training programs has also been made during FY 2025-26

- (vii) *The provision towards Ex-Gratia/bonus for ARR for AY 2025-26 is not considered, however, it is requested that the Commission may kindly consider, if it is required to be paid by SLDC in True- up process for FY 2025-26. The Commission in the order for SLDC fee & charges for the previous years has not allowed provisions for Ex-Gratia/bonus, no such provisions are made in ARR for FY 25-26.*
- (viii) *The provision towards leave encashment at retirement has been considered for 6 no. officer/employee who are retiring during the FY 2025-26.*
- (ix) *Terminal benefits have not been considered in the ARR as per directives of MPERC in the order for SLDC Fee & charges petition for the FY 2006-07.*

Commission's Analysis:

- 21. Vide Commission's letter No. 12 dated 03/01/2025, observations including those related to Employee expenses were conveyed. SLDC vide its letter No. 98 dated 24/01/2025 submitted its reply in detail. These have been elaborated at para 7(v) of this Order and are not repeated for brevity. The justifications towards employee expenses submitted by SLDC appear to be appropriate. Accordingly, the employee related expenses of **Rs 1433.57 Lakhs** are considered for FY 2025-26 in this Order. Actual expenses as per the relevant orders issued by Government of MP from time to time, shall be considered in True-up petition.

Administration and General Expenses:

- 22. **Petitioner's Submission:**

The Administration and General expenses for SLDC, Backup SLDC & Sub LDC for the year 2025-26 works out to Rs. 375.04 lakhs (Form-F5). The above A&G projection comprises of Electricity Charges, Communication charges, consultancy charges including technical structure audit of building, travelling expenses, Security service charges, Vehicle hire charges, books & stationery, MPERC fee, advertisement expenses, legal charges, corporation tax of SLDC Building at Bhopal, outsourcing expenses of computer operators, outsource of Cyber Security related activities of SLDC, ABT Section Related works and scrutiny and professional work related to verification of Captive Power Plants and accounting of SLDC related to works of Accounts and finance to professional firms and miscellaneous expenses as contingency.

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

- (i) **Rates & Taxes:** At present Sub-LDC Bhopal (Back-up SLDC) has paid municipal Tax. Accordingly, projection towards expenditure for municipal tax is considered for FY 2025-26.
- (ii) **Insurance:** A lump sum provision of Rs. 0.22 Lakhs has been made towards insurance charges during ensuing year.
- (iii) **Telephone Expenses & Communication Facility:** The communication facilities provided through common pool services are not considered. However, the expenses towards additional communication facility whose payment is made directly from SLDC/Sub LDC officers are included. The details of the proposed expenses are annexed.
- (iv) **Consultancy Charges:** The projections towards consultancy charges have been kept for obtaining consultancy services regarding Information Security Management System (ISMS) deployment of Honey pots/preparation of Fire plan, energy Audit & preparation of scheme for upcoming projects like Wide Area Management System (WAMS)/Wide band Communication system/ Renewable Energy Management System/SECD/AGC related works, Islanding scheme, Security Operation Center (SOR), Network Operation Center (NOR) and for building renovation & modernization activity.
- (v) **Travel expenses:** The SLDC official are required to travel for various meeting like OCCM (WRPC & State), RPC, Protection Committee, for hearing MPERC, CERC, Appellate Tribunal & Court cases. The traveling is also required for works related with implementation of various project and attending faults in systems & equipment. The projections towards travel expenses has been taken considering increased travel due to implementation of various new projects like Master telecom project, replacement of SCADA/EMS, URTDSM project/REMC project, SCED, AGC, deployment of Honey Pots, cyber security related works, works related with integration of AMR into SCADA, mock drill of SCADA and other systems and for various levels of system operation trainings.
- (vi) **Hiring of Vehicle:** Total six no. of vehicle are approved for SLDC, Back up SLDC, Bhopal and Sub-LDC Indore. Presently four no. of vehicle are hired. Accordingly, the projection towards hiring of four number vehicle and one vehicle for Advisor is considered for FY 2025-26.
- (vii) **Security / Service Charges:** SLDC has already been provided with two-armed security guards round the clock deployed through outsourcing. Similarly, one Unarmed security guard round the clock is deployed at Backup SLDC/ Sub-LDC Bhopal. The projection towards security charges for ensuing year has been considered on the basis of prevailing wages for skilled workers for SLDC and unskilled workers for Backup-SLDC / Sub-LDCs Bhopal.
- (viii) **MPERC Annual fee WRPC Fee:** - The projection for the FY 2025-26 is taken Rs 2.00 lakhs. The projection is taken mainly the amount towards MPERC Fee and incidental charges if required to pay WRPC charges.

- (ix) **Stationery Expenses:** *The stationery expenses has been worked out considering the future increase in requirements due to Generation of various reports, increased responsibilities of Capital works, ABT/OA, EA, regulatory & legal issues etc.*
- (x) **Electricity Expenses:** *- The projection towards Electricity expense for SLDC and Back-up SLDC of Rs. 87.02 lakhs have been considered in FY 2025-26. However, the projection of electricity expenditure of Sub-LDC, Indore are not considered as the same is not adjusted with SLDC fee and Charges. It is requested that Commission may approve electricity charges for Sub-LDC Indore during the true-up process for FY 2025-26, if it is booked under the head of electricity expenses. Hence at present electricity charges of SLDC Building of Jabalpur and Back-up SLDC, Bhopal has been worked out and considered in Form F5.*
- (xi) **Work Outsource Expenses & House Keeping Charges:-**
- (a) *Presently, SLDC has taken services of Eighteen no of computer operators (8 in highly Skill and 8 in skill category and 2 in Semi skill category out of highly skill computer operators 4 operators are working in shift) through Man Power supplier Contract. Accordingly, the projection towards outsources of Eighteen computer operators of Rs. 44.15 Lakhs for the FY 2025-26 is considered in A&G expenses.*
- (b) *The projection towards housekeeping charges for 13 no. of unskilled workers has also been considered for SLDC (8 No.), Bhopal (3 No.) and Indore (2 No.) on the basis of prevailing wages for unskilled workers for SLDC, Jabalpur, Backup-SLDC, Bhopal and Sub-LDC Indore. Accordingly, projection of Rs 26.23 Lakhs has been considered in A&G Expenses.*
- (c) *Further, the projection towards outsource expenses towards services of Cyber security expert is projected of Rs 25.00 Lakhs p.a. and for five years. The approval has already been obtained from competent authority for outsource the works of cyber security at SLDC and tender has already been issued.*
- (d) *The projection towards outsources the work of ABT, OA & MIS including work of accounts and Finance is also considered as due to shortage of manpower, the work is required to outsource the work to profession firm. Accordingly, lumpsum provision of Rs 25 Lakhs has been considered in A& G.*
- Accordingly, the total projection towards outsources the work and housekeeping charges of Rs. 120.38 Lakhs for FY 2025-26 is considered in A&G expenses.*
- (xii) **Entertainment expenses:** *The entertainment expenses have been worked out considering the requirements due to increased responsibilities of SLDC.*
- (xiii) **Legal Expenses:** *The legal expenses have been worked out considering various legal issues and regulatory matters.*

(xiv) **Technical Fee:** *The Technical fee has been considered of Rs 10.00 Lakhs as structural audit of SLDC building as per requirement of Civil Department for the FY 2025-26.*

(xv) **Miscellaneous Expenses:** *The provision towards Disaster Management fund of 1.5% of ARR has been considered as per Disaster Management Act, 2005 under the head Miscellaneous Expenses of Rs 26.00 Lakhs and consider contingency expenses under the head Miscellaneous Expenses.*

Commission's Analysis:

23. Vide Commission's letter No. 12 dated 03/01/2025, the issue related to A & G expenses like increase in sourcing expenses, legal charges, etc. were sought. The SLDC submitted its issue wise response vide its letter dated 24/01/2025. These have been detailed in previous part of this Order and are not repeated here for brevity.
24. On analysis of the detailed breakup submitted by SLDC towards justification of A&G expenses, the Commission observed that they are regular in nature and may be allowed. Accordingly, the Commission has considered A&G expenses of **Rs 375.04 Lakhs** as claimed is considered for FY 2025-26. This is subject to prudence checks during True-up exercise as per the provisions of the Regulations.
25. The Commission further observes from issues mentioned at paragraph no. 7 (v) & (vii) of this Order, that the employee cost has reduced by Rs 60.34 Lakhs, whereas outsourcing expenses have increased by Rs 68.32 Lakhs. It is understood that due to energy transition and addition of renewable sources, work load of SLDC is increasing day to day. MPPTCL & SLDC are directed to take up the issue of manpower at SLDC with State Government so as to have proper organization structure in place to deal with ever growing requirement of load dispatch and system operations.

Repair and Maintenance Charges:

26. **Petitioner's Submission:**

The Repair and maintenance expenses for the year 2025-26 are estimated to Rs. 284.59 Lakhs (Form-F6). This includes maintenance charges of SCADA/EMS & Wideband Communication system, Unified real Time Dynamic Measurement System (URTDMS) system, CCTV BASED Surveillance system, Hot line exchange, Voice logger system, AMC charges for ABT OA & MIS System, Maintenance costs of Auxiliary Power Supply system (UPS, DG Set), maintenance of system support services, maintenance of AC Plant, maintenance of office equipment, maintenance of building (including Backup SLDC at Bhopal & Sub-LDC Indore), Video Conferencing System, Video Projection System, Cyber Security system, PSS/E Software Maintenance & Support Work, maintenance of Renewable Energy Management System, Access Control System, Fire Alarm system and Fire extinguisher, etc. The R& M estimate also comprises of cost towards forecasting services under REMC system which is so far covered under the grant provided for REMC project from Government of India through PGCIL. The provision for civil maintenance works mainly comprise of General Civil

Maintenance work of Water supply sanitation I/C renovation of sanitation system of SLDC Building, repairing of Doors, Windows, Floor, day to day maintenance work, External Painting and Repairing Work, fixing of Concertina coil and related works on boundary wall of SLDC Building.

Commission's Analysis:

27. Vide Commission's letter No. 12 dated 03/01/2025, issues related to R&M expenses like projected expense on plant & machinery, civil works, lines and cable networks, etc were sought. SLDC's detailed responses have been covered in previous part of this Order and are not repeated for brevity.
28. The Commission examined the submission made by SLDC thoroughly and considered the R&M expenditure of **Rs. 284.59 Lakhs** for FY 2025-26 in this order, subject to true-up, as per the Regulations.

Return on Equity and Depreciation:

Petitioner's Submission:

29. The petitioner broadly submitted the following:
The GoMP has identified the assets of SLDC as a part of MPPTCL. The depreciation has been worked out to Rs. 285.06 Lakhs (Form F7) using Straight Line Method as per rates and in the manner prescribed in the Electricity Act 2003. The ROE has been worked out to Rs. 99.99 Lakhs based on normative debt to equity ratio as 70:30. The Income Tax provision are also worked out to Rs. 33.38 Lakhs. However, in line with the orders passed by the Commission for levy & collection of fee & charges for FY 08-09, these charges are not included in the Annual Revenue Requirement of SLDC for the FY 2025-26.

Commission's Analysis:

30. The Commission has observed that no Depreciation & RoE is claimed by the petitioner as no separate opening Balance Sheet for SLDC has been notified by the Govt. of M.P. in its order dated 12th June, 2008. The petitioner's submission is considered and no amount under the heads of Depreciation and Return on Equity is allowed in this Order.

Interest and Finance charges and Interest on Working Capital:

Petitioner's Submission:

i. Interest and Finance Charges:

The interest and finance charges comprise of only one component i.e. Interest on working capital. The working capital has been computed considering the expenses for Employee cost, A&G, and R&M. The monthly working capital comes out to Rs. 174.43 Lakhs.

ii. Interest on Working Capital:

As per third amendment in regulation of SLDC fee and charges notified on 19th Nov 2010, the Rate of interest on working capital has to be considered on normative basis equal to the Base Rate of State Bank of India as on 1st April of the year plus 4%. Accordingly, the rate of IWC has been taken as 14.25 % (Base Rate 10.25% wef 1st April 2024). However, interest on working capital is not considered in instant petition and the same will be claimed in true- up, if required.

32. Commission's Analysis:

- i. The petitioner has not filed any Interest and finance charges on loan for capital works. Therefore, the Commission has not considered any amount for interest and finance charges in this Order.
- ii. The Petitioner has submitted that working capital requirement is calculated as Rs. 174.43 Lakhs. On scrutiny of the petition, the Commission has observed that the petitioner has not taken working capital loan from any Bank / financial agency and consequently has not incurred any expenditure on working capital. Therefore, as submitted by SLDC, the Commission has not considered Interest on Working Capital for FY 2025-26 in this order.

Others - Payment of Statutory Taxes, Duties, etc.:

33. Petitioner's submission:

Payment of Statutory Taxes, Duties etc:

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

Commission's Analysis

34. The Commission considers the petitioner's submission in this matter. The claim of SLDC, if any shall be dealt with appropriately in terms of MPERC (Levy and Collection of Fee and charges by State load Despatch Centre) Regulations, 2004, (Revision - 1, 2006) as and when these are actually incurred and claimed in the true-up petition.

Income from Other Sources:

35. Petitioner's Submission:

Earning of 252.03 Lakhs has been projected as income from Scheduling & Operation Charges (50% of the total receipt), Connectivity Charges and Application processing fee from Short Term Open Access Customers (STOAC) on the basis of income received in current year & Application processed during current year. (Form F1).

Other Income:- *A provision for FY 25-26 for Rs. 50.00 lakhs has been considered in Form F2. The projection towards differed income on MP SLDC REMC of Rs 45.00 Lakhs has been considered as the grant has been received from Powergrid towards payment of AMC expenses on REMC SCADA. The AMC charges has been included in Repairs and Maintenance Expenses in Form F-6. Total AMC charges of REMC SCADA of Rs 56.00 Lakhs, grant of Rs 45.00 Lakhs shall be received. The Differed grant on PSDF has not been considered as SLDC has not claimed deprecation of Assets created through PSDF grant. The interest on SLDC*

Capex Fund is also not considered in other income as the interest on SLDC Capex Fund has been accumulated in SLDC Capex Fund. The Lum sum provision of Rs 5.00 Lakhs has been considered towards recoveries of transport facility, Rental for Staff quarter/water charges, recovery for telephone charges & Misc income.

Commission's Analysis:

36. The Other Income mainly comprises revenue from other Fee & Charges, Scheduling & Operation charges, Connectivity charges & application processing fee etc. The petitioner estimated following other income for FY 2025-26, which is allowed by the Commission:

(Rs. Lakhs)

S. No.	Particulars	FY 2025-26 (Claimed)	FY 2025-26 (Allowed)
1	Scheduling & Operation Charges (50% as income)	160.93	160.93
2	Connectivity Charges	11.10	11.10
3	Application processing fee for STOAC	80.00	80.00
4	Other Income	50.00	50.00
	Total	302.03	302.03

37. In view of the above, the Commission has considered **Rs. 302.03 Lakhs** as SLDC's other income (as claimed by the petitioner) for FY 2025-26 in this order. Actual other income shall be considered during true up exercise for FY 2025-26.

True-up of SLDC Tariff Order for FY 2023-24 based on Financial Statements:

38. **Petitioner's Submission:**

ACTUAL EXPENSES & TRUE UP FOR FY 2023-24:

The expenses towards Employee cost, A&G and R&M for FY 2023-24, shown in forms of the petition for FY 25-26, are on the basis of Financial Statements of SLDC for the FY 23-24. Further, it is submitted that variation in the figures shown in Balance Sheet, Profit & Loss A/c and its notes to financial statement for Financial Year 23-24 and the figures shown in formats of the petition, is due to following reasons.

(Rs. Lakhs)

Particulars	Financial statement Ref.		Petition Ref.		Difference	Remark
	Note	Amount	Form No	Amount		
Employee Cost	17	1360.51	F4	1365.13	-4.62	Explanation 1
A & G Expenses	20	220.85	F5	219.19	1.66	Explanation 2
SLDC charges	15	2000.16	F1	1768.95	231.21	Explanation 3

- 1) The employee cost of Rs. 1365.13 Lakhs mentioned in Form F4 comprises of actual employee cost of Rs. 1360.51 Lakhs and training expenses of Rs. 4.61 Lakhs. Further, the training expense Rs. 4.61 Lakhs is shown in Form 4 as per standard format of the petition but the same is considered as A&G expenses and included in note 20 of financial statement. Therefore, actual Employee Cost of Rs. 1360.51 Lakhs as mentioned in Form F4 is claimed for true up.*
- 2) The A & G expenses of Rs. 220.85 Lakhs mentioned in Note 20 of Financial statement are exclusive of Discount to Customers for Timely payment of SLDC Bill of Rs 2.95 Lakhs as these expenses been shown in Note 15 of Financial Statement and the same has been considered in Form F5 of the petition under the Head B (Other Charges)(viii) of the petition and the Training expenses of Rs 4.61 lakhs has been considered in Note 20 of Financial Statement, however the same has been considered in Form F4 of the petition . Therefore, A&G expenses of Rs. 219.19 Lakhs as mentioned in Form F5 are actual expenses claimed for true up.*
- 3) The SLDC Charges comprises of Revenue from fee & Charges (i.e. from three Discoms & SEZ) and revenue from other charges (i.e. Scheduling & Operation, Connectivity & Application Processing Fees). The amount of Rs. 1768.95 Lakhs shown in Form F1 includes Rs. 120.12 Lakhs towards revenue from 50% of Scheduling & Operation Charges. As per MPERC (Levy & Collection of Fee & Charges) Regulation 2004, (10.3), 50% of scheduling & operation charges are to be considered as earning and balance 50% is to be retained for infrastructure development. Accordingly, total Scheduling & Operation charges of Rs. 240.23 Lakhs are shown in two equal parts, 50% amount as earning in Form F1 (Rs. 120.12 Lakhs) and 50% amount retained for capex (Rs. 120.11 Lakhs). The amount of Rs. 2000.16 Lakhs shown in Note 15 of financial statement include Rs. 240.23 Lakhs towards revenue from total Scheduling & Operating Charges. Further, In Note 15 of Financial Statement, Discount to Customers for Timely payment of SLDC Bill of Rs 2.95 Lakhs is also decrease from Total Revenue. Further, True Up Income of Rs 114.06 Lakhs has been shown in Note 15. Hence, Net Increase in Note 15 of Financial Statement is works out Rs 231.21 Lakhs (Rs. 120.11 Lakhs Plus Rs. 114.06 Lakhs Less Rs. 2.95 Lakhs). Therefore, the amount of Rs. 1768.95 Lakhs as shown in Form F1, is actual earning for FY 23-24 claimed for true up.*

In view of above, expenses approved in ARR of FY 2023-24 vis -a -vis Actual expenses as per financial statement of FY 2023-24 are summarized below for Reconciliation / True- up in the ARR for FY 23-24.

True-up of FY 2023-24 accounts with FY 2023-24 Order:**Expenses:**

(Amount in Lakhs of Rs)

<i>Particular</i>	<i>Expenses as allowed in ARR for FY 2023-24</i>	<i>Actual Expenses for FY 2023-24</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>Employee Costs</i>	1386.53	1365.13	21.40
<i>Administration & general Expenses</i>	271.52	219.19	52.33
<i>Repairs & Maintenance Expenses</i>	219.64	189.07	30.57
Total	1877.69	1773.39	104.30

Income from other fee & charges:

The revenue from other fee & charges, comprising of Scheduling & Operation Charges, Connectivity Charges, Application Processing fee & Other Income allowed by the Commission for the FY 2023-24 was Rs 256 Lakhs, the actual income works out to Rs 267.48 Lakhs as given below:

(Amount in Lakhs of Rs)

<i>Particular</i>	<i>Income as allowed in ARR for FY 2023-24</i>	<i>Actual income for FY 2023-24</i>	<i>Differences (Allowed-Actual) to be reconciled</i>
<i>50% of Scheduling & Operating Charges.</i>	133.00	120.12	12.88
<i>Connectivity Charges</i>	18.00	13.15	4.85
<i>Application Charges</i>	100.00	68.05	31.95
<i>Sub Total</i>	251.00	201.32	49.68
<i>Other miscellaneous receipts as mentioned in Form F2 (Excluding PSDF Grant (Deferred Income on PSDF Grant (Rs 37.05 Lakhs and Interest on SLDC Capex Fund Account of Rs 66.77 Lakhs) total Rs 103.82 Lakhs</i>	5.00	66.16	-61.16
TOTAL	256.00	267.48	-11.48

Net amount to be recovered & adjusted in ARR of FY 2025-26 works out to Rs 104.30 - (-11.48) i.e. **Rs 115.78 Lakhs.**

Commission's Analysis:

39. It was observed that SLDC submitted its balance sheet and audited accounts for FY 2023-24 along with the petition and also submitted information for true-up of its ARR for FY 2023-24. Vide Commission's letter No. 12 dated 03/01/2025, Independent Auditor's Report & Auditor's Notes on Financial Statements were sought from the petitioner. Further steps taken by SLDC to recover the Short term receivables from MPPTCL of Rs 911.13 Lakhs were also sought. The SLDC submitted its issue wise response vide its letter dated 24/01/2025. These have been dealt with in previous part of this Order and are not repeated here for brevity. The employee expenses, A & G expenses, R & M expenses and other income submitted in the petition tallies with the Audited accounts.
40. The Commission has considered SLDC's submissions and allowed net amount of **Rs. 115.78 Lakhs** against true-up of FY 2023-24 to be reconciled and adjusted in ARR of FY 2025-26 in this order. This true-up amount of Rs 115.78 Lakhs is deducted in ARR for FY 2025-26.

Summary of Annual Revenue Requirement (ARR):

41. Based on all aforesaid analysis, the Commission has approved the following Annual Revenue Requirement of SLDC for FY 2025-26 in this order:

Summary of the ARR as approved by the Commission for FY 2025-26:

(Rs. Lakhs)		
S. No.	Particulars	As approved by MPERC in this Order
1	Employee Cost	1433.57
2	Administration and General Expenses	375.04
3	Repairs and Maintenance Expenses	284.59
4	Depreciation	0
5	Interest and Finance Charges	0
6	Interest on Working Capital	0
7	Return on equity/Investments	0
8	Taxes and Duties	0
	TOTAL	2093.20
9	Less: Income from other sources	302.03
	Annual Revenue Requirement for FY 2025-26	1791.17
	Less: True-up of ARR for FY 2023-24	115.78
	Net ARR for FY 2025-26	1675.39

Allocation of Annual SLDC Charges:**Commission's Analysis:**

42. As per Regulation 11.2 of the MPERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) (Revision-1), Regulations 2006, the allocation of SLDC charges to individual Licensee and Open Access customers having the Long-Term Agreements shall be in proportion of share allocation to the total transmission capacity determined by the Commission.

SLDC has submitted transmission capacity of 26656.53 MW in its subject petition for FY 2025-26. This tallies with MPPTCL's submission in Petition No. 54/2024 submitted by MPPTCL for determination of Transmission Tariff for MYT control period from FY 2024-25 to FY 2028-29. Considering the same, the following allocation of annual SLDC charges is considered for FY 2025-26:

Annual SLDC Charges for Long - Term Open Access (LTOA) Customers for FY 2025-26 is as under:

S. No.	Particulars	Long-Term Open Access customers				WCR	Total
		East	West	Central	SEZ		
		Discom	Discom	Discom	Indore		
1	Total annual SLDC charges (Rs. Lakhs)						1675.39
2	Long-term allocation of Transmission Capacity (MW)	7505.62	9777.62	8948.29	60.00	365.00	26656.53
3	Annual SLDC charges payable by LTOA customers (Rs. Lakh)	471.74	614.53	562.41	3.77	22.94	1675.39
4	Annual SLDC charges payable by LTOA customers (Rs. / MW)						Rs. 6285.10 Per MW

Summary of Fees and Charges:

43. The following table summarizes the fees and charges approved by the Commission for use of SLDC services for FY 2025-26:

Applicability and levy of various SLDC fees and charges for FY 2025-26:

S. No.	Fee/ Charge Applicable towards	Applicability to customer category on the basis of type of agreement					
		Long Term			Short Term		
		Yes/ No	Frequency	Amount (Rs.)	Yes/ No	Frequency	Amount (Rs.)
1	Connection fee *	Yes	One Time	1,00,000	Yes	Once for a month or part thereof	5,000
		No charges for additional short term open access					
2	Annual SLDC charges to LTOA customers to whom transmission capacity has been allocated	Yes	Two Half yearly instalment	Rs 6285.10 per MW of allocated transmission capacity	No	--	--
3	Operation & Scheduling	No	--	--	Yes	Per transaction per day or part thereof	1,000
4	Revising schedule (other than RE Generators)	Yes	For each revision	1,000	Yes	For each revision	1,000

* As per clause 8.7 of the First Amendment to MPERC (Levy & Collection of fee and charges by SLDC) Regulations, 2004 (Revision -1), 2006, all Renewable Energy Generators are required to pay one-time connection fee of Rs 5000/- (Rs. Five Thousand) only, irrespective of the type of agreement, whether long or short term.

44. The Fees and Charges determined in this order shall be effective from 1st April 2025 till 31st March 2026. SLDC shall upload the Order & petition with annexure on its website. The petitioner shall take steps to implement this order after giving seven (7) days public notice in accordance with regulation 1.30 of MPERC (Details to be furnished and fee payable by licensee or Generating company for determination of tariff and manner of making application) Regulations, 2004 and its amendments and calculate the bills of SLDC charges to the Long Term Open access customers other than renewable sources w.e.f. 1st April 2025 onwards and shall also provide information to the Commission in support of having complied with this order.

Ordered Accordingly.

(Prashant Chaturvedi)
Member

(Gopal Srivastava)
Member (Law)

Place: Bhopal

Date: 4th March 2025.