**TSTRANSCO - State Load Despatch Centre**

**Filing for Proposed Annual Fee and Operating Charges for SLDC Business for 4th MYT Control Period from FY 2019-20 to FY 2023-24**

**Datagaps and Additional Information Requirement**

1. **General**

1. TSTRANSCO to submit the excel formats with linkages and formulae at appropriate places for true up for 3rd MYT Control Period from FY 2014-15 to FY 2018-19 and MYT for 4th Control Period from FY 2019-20 to FY 2023-24.

**SLDC reply:-**

The duly filled in Excel Formats for true up for 3rd MYT Control Period from FY2014-15 to FY 2018-19 are submitted herewith.

1. **True up for 3rd MYT Control Period from FY 2014-15 to FY2018-19**

2. TSTRANSCO to submit the audited annual accounts for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19.

**SLDC reply:-**

The copy of audited annual accounts for FY 2014-15 to FY 2017-18 were already submitted to the Hon’ble Commission. However, a copy of the same are submitted herewith.

The Annual Accounts for FY 2018-19 are under finalization/Statutory Audit. A copy of provisional accounts for FY 2018-19 is enclosed herewith.

3. Regulation 7 of the APERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2006 specifies as under:

*“****7. SEGREGATION OF ACCOUNTS***

*As specified in clause 5 of the AP Electricity Regulatory Commission (Terms and Conditions for determination of Transmission Tariff) Regulation, 2005, (Regulation No. 5 of 2005), the Transmission Corporation of A.P. Ltd., (APTRANSCO) shall be required to maintain separate accounts for SLDC activity and till such time as the accounts are not so segregated, it shall apportion its costs on the basis of an Allocation Statement to be submitted to the Commission with all relevant details.”*

TSTRANSCO to submit the Allocation Statement for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19, as required under Regulation 7 reproduced above.

**SLDC reply:-**

A copy of allocation statement between Transmission and SLDC Business as per Annual Financial Statements for FY 2014-15 to FY 2017-18 (audited) and FY 2018-19 (provisional) are submitted herewith.

4. TSTRANSCO submitted the comparison of approved and actual employee, A&G and R&M expenses for FY 2014-15 to FY 2018-19 in Table 1 of the Petition. In this regard:

a. TSTRANSCO to submit the justification for the variation in employee expenses for each year from FY 2014-15 to FY 2018-19 along with supporting documents.

b. TSTRANSCO to submit the justification for the variation in A&G expenses for each year from FY 2014-15 to FY 2018-19 along with supporting documents.

c. TSTRANSCO to submit the justification for the variation in R&M expenses for each year from FY 2014-15 to FY 2018-19 along with supporting documents.

**SLDC reply:-**

The following is the position of O&M Expenses approved and actual for FY 2014-15 to FY 2017-18 (audited) and FY 2018-19 (provisional).

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (Rs. in Crores) | | | | | | | | | |
| **Particulars** | **FY 2014-15 (\*)** | | | **FY 2015-16** | | | **FY 2016-17** | | |
| **Tariff  Order** | **Actuals** | **Devi- ation** | **Tariff Order** | **Actuals** | **Devi- ation** | **Tariff Order** | **Actuals** | **Devi- ation** |
| Employees Cost | 19.28 | 25.02 | 5.74 | 24.75 | 29.47 | 4.71 | 26.43 | 38.30 | 11.87 |
| Administration  and General Exp. | 5.51 | 1.68 | -3.84 | 7.19 | 1.94 | -5.24 | 7.81 | 3.00 | -4.81 |
| Repairs & Maintenance Exp. | 3.67 | 2.15 | -1.51 | 2.54 | 1.55 | -0.99 | 2.89 | 1.45 | -1.44 |
| **Total:** | **28.47** | **28.85** | **0.38** | **34.48** | **32.96** | **-1.52** | **37.12** | **42.75** | **5.63** |
| (\*) from 02.06.2014 to 31.03.2015 | | |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (Rs. in Crores) | | | | | | | | | |
| **Particulars** | **FY 2017-18** | | | **FY 2018-19 (Provl.)** | | | **Total** | | |
| **Tariff Order** | **Actuals** | **Devi- ation** | **Tariff Order** | **Actuals** | **Devi- ation** | **Tariff Order** | **Actuals** | **Devi- ation** |
| Employees Cost | 34.77 | 43.54 | 8.77 | 37.76 | 58.69 | 20.93 | 142.99 | 195.03 | 52.03 |
| Administration  and General Exp. | 2.24 | 2.41 | 0.17 | 2.42 | 4.73 | 2.31 | 25.17 | 13.76 | -11.42 |
| Repairs & Maintenance Exp. | 1.45 | 1.54 | 0.09 | 1.56 | 2.15 | 0.59 | 12.11 | 8.85 | -3.26 |
| **Total:** | **38.46** | **47.49** | **9.03** | **41.74** | **65.58** | **23.84** | **180.27** | **217.63** | **37.36** |

The main factors contributed for increase in O&M expenses are as follows :

* Revision of pay scales to regular employees from 01.04.2014 and 01.04.2018.
* Revision of remuneration paid to out sourced personnel.
* Increase in Hire Vehicle Charges.
* Increase in Annual Maintenance Charges (AMC) Charges to SLDC Equipment.

5. TSTRANSCO to submit the details of capital investments made during each year of the 3rd MYT Control Period from FY 2014-15 to FY 2018-19 in the format specified below:

**SLDC reply:-**

The following is the position of assets capitalized during FY 2014-15 to FY 2018-19:

*(Rs. in crores)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19**  **(Provl.)** |
| Plant & Machinery | 0.38 | 0.05 | 13.67 | 3.02 | 0.88 |
| Furniture & Fixtures | 0.00 | 0.00 | 0.00 | 0.00 | 0.12 |
| Office Equipment | 0.33 | 0.09 | 0.00 | 0.41 | 1.17 |
| **Total:** | **0.71** | **0.14** | **13.67** | **3.43** | **2.17** |

6. TSTRANSCO to submit the details of actual long-term loan portfolio in the format specified below:

**SLDC reply:-**

The following is the position of year wise term loans availed/repaid and interest expenses thereon for FY 2014-15 to FY 2017-18 (audited) and FY 2018-19 (provisional)

**FY 2014-15 (02.06.2014 to 31.03.2015)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Rs. in crores) | |
| **Funding Agency** | **Rate of Interest**  **(%) p.a.** | **Opening Balance** | **Received during  the year** | **Repaid during the year** | **Closing Balance** | **Interest  Expense** |
| South Indian Bank | 11.50% | 1.54 | 1.15 | 0.21 | 2.48 | 0.26 |
| **Total:** |  | **1.54** | **1.15** | **0.21** | **2.48** | **0.26** |

**FY 2015-16**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Rs. in crores) | |
| **Funding Agency** | **Rate of Interest**  **(%) p.a.** | **Opening Balance** | **Received during  the year** | **Repaid during the year** | **Closing Balance** | **Interest  Expense** |
| South Indian Bank | 11.50% | 2.48 | - | 0.28 | 2.20 | 0.27 |
| **Total:** |  | **2.48** | **-** | **0.28** | **2.20** | **0.27** |

**FY 2016-17**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Rs. in crores) | |
| **Funding Agency** | **Rate of Interest**  **(%) p.a.** | **Opening Balance** | **Received during  the year** | **Repaid during the year** | **Closing Balance** | **Interest  Expense** |
| South Indian Bank | 11.50% | 2.20 | - | 0.28 | 1.92 | 0.24 |
| **Total:** |  | **2.20** | **-** | **0.28** | **1.92** | **0.24** |

**FY 2017-18**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Rs. in crores) | |
| **Funding Agency** | **Rate of Interest**  **(%) p.a.** | **Opening Balance** | **Received during  the year** | **Repaid during the year** | **Closing Balance** | **Interest  Expense** |
| South Indian Bank | 11.50% | 1.92 | - | 1.92 | 0.00 | 0.11 |
| **Total:** |  | **1.92** | **-** | **1.92** | **0.00** | **0.11** |

**FY 2018-19:**

* **Nil -**

7. TSTRANSCO to submit the supporting documents to substantiate the actual rate of interest of long-term loans for each year of 3rd MYT Control Period from FY 2014-15 to FY 2018-19.

**SLDC reply:-**

A copy of term loan sanction for the loan sanctioned by South Indian Bank is submitted herewith enclosed – **Annexure - F**.

8. TSTRANSCO has submitted the actual Capital Cost for FY 2014-15 to FY 2018-19 in Table 2 of the Petition. TSTRANSCO to submit the computations of the same in MS Excel with appropriate formulae and linkages.

**SLDC reply:-**

The interest & finance charges and depreciation on SLDC assets is considered as capital cost for FY 2014-15 to FY 2017-18 (audited) and FY 2018-19 (provisional):

*(Rs. in crores)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19**  **(Provl.)** |
| Interest & Finance Charges | 0.26 | 0.27 | 0.24 | 0.10 | 0.01 |
| Depreciation | 0.19 | 0.33 | 0.34 | 4.00 | 2.51 |
| **Total:** | **0.45** | **0.60** | **0.58** | **4.10** | **2.52** |

1. **MYT for 4th Control Period from FY 2019-20 to FY 2023-24**

9. TSTRANSCO to submit the details of capital investments proposed during each year of the 4th MYT Control Period from FY 2019-20 to FY 2023-24 in the format specified below:

**SLDC reply:-**

The following is the position of year wise capital investment proposed in SLDC Business from FY 2019-20 to FY 2023-24:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | *(Rs. in crores)* | |
| **Particulars** | **2018-19**  **(Base Year)** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** |
| Capital Investment | 1.64 | 22.95 | 14.94 | 5.94 | 2.09 | 1.47 |

10. In Para 3.1 of the Petition, TSTRANSCO has submitted the investments proposed during the 4th MYT Control Period. In this regard, TSTRANSCO to submit the status of approvals by the competent authority for the proposed capital investments.

**SLDC reply:-**

The investments proposed in SLDC are less than 20 Crs each. Hence, approvals from Hon’ble Commission are not required.

11. TSTRANSCO has submitted the Capital Cost projection for FY 2019-20 to FY 2023-24 in Table 7(B) of the Petition. TSTRANSCO to submit the computations of the same in MS Excel with appropriate formulae and linkages.

**SLDC reply:-**

The computation of capital cost for FY 2019-20 to FY 2023-24 in MS Excel with appropriate formulae is submitted herewith.

12. On Page 26 of the Petition, TSTRANSCO submitted that the escalation rate of 7.68% has been considered as per CERC methodology. TSTRANSCO to submit the computations of escalation rate of 7.68% along with relevant supporting documents for the methodology adopted for computing the escalation rate.

**SLDC reply:-**

The actual escalation of 7.68%/- considered for the projections of FY 2019-20 to FY 2023-24 were adapted as per CERC Annual escalation rates 2019 methodology. The document is attached. **(Annexure – G)**

13. TSTRANSCO has submitted the projections of O&M expenses for 4th MYT Control Period in Table 10 of the Petition. TSTRANSCO to submit the computations of the same in MS Excel with appropriate formulae and linkages.

**SLDC reply:-**

The following are the O&M expenses projected for 4th MYT Control Period for SLDC Business:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | *(Rs. in Crores)* | |
| **Particulars** | **2018-19 (Base Year)** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** |
| Employees Cost | 31.96 | 34.41 | 37.06 | 39.90 | 42.97 | 46.27 |
| Administration and General Exp. | 2.47 | 2.66 | 2.86 | 3.08 | 3.32 | 3.58 |
| Repairs & Maintenance Exp. | 0.47 | 1.33 | 1.75 | 1.67 | 3.09 | 3.15 |
| **TOTAL** | **\* 34.90** | **38.40** | **41.67** | **44.66** | **49.38** | **52.99** |

*\*(Excluding Expenditure relating to field telecom units ofTSTransco)*

1. Employees Cost and Administration & General Exp. are estimated with an escalation rate of 7.68% towards Annual Grade Increment, Dearness Allowance and increase in Hire Vehicle Charges, Advertisement Exp., Property Tax, TSERC License Fee and Other Expenses. The justification/methodology adopted for computing escalation rate @7.68% was given in Reply to Item No.12.
2. Repairs &Maintenance (R&M) charges:
3. R&M charges of SLDC for the year 2020-21 increased mainly due to additional expenditure to be incurred towards AMC of load forecasting software.
4. R&N charges of SLDC for the year 2022-23 increased mainly due to additional expenditure expected to be incurred towards AMC of REMC software.
5. Other minor variations in R&M expenditure are due to inflation & maintenance of additional inventory added during respective years.Further, scope for price variation is also considered.

14. TSTRANSCO has submitted the contracted capacities in MW for the 4th MYT Control Period. In this regard:

a. TSTRANSCO to submit the generating station wise details included in each source indicated under Non-Conventional Energy.

b. TSTRANSCO to submit the list of Open Access consumers included in the capacity shown under Open Access.

**SLDC reply:-**

Details of NCEs and Open Access Consumers enclosed.

– **Annexure H**.

1. **Compliance to directives**

15. TSTRANSCO has submitted the status of compliance to directives in Annexure A of the Petition as ‘complied with’. TSTRANSCO to include the submissions made in compliance to the directives as part of the instant Petition.

**SLDC reply: -** Compliance to the directives submitted in the meeting held

at Hon’ble Commission on 09.12.2019.

Copy enclosed.