

SUBMISSIONS ON SLDC PROPOSALS:

1	<p>State Load Dispatch Centre has sought a true-up of Rs.8.70 crore. For the FY, it has shown a revenue gap of Rs.7.07 crore, with an increase of Rs.7.67 crore in its expenditure for the FY 2023-24, despite increase in its revenue from SLDC charges by Rs.0.60 crore. SLDC has sought true-up of deficit of Rs.1.63 crore approved by the Commission as per APR orders for 2019-20 and 2022-23. For 2023-24. SLDC's capital cost is lesser by Rs.5.29 crore, with the approved capital expenditure decreasing from Rs.6.88 crore to Rs.1.59 crore. Its O&M expenditure increased by Rs.12.96 crore from the approved Rs.41.48 crore to Rs.54.44 crore. It has claimed that it is mainly on account of increase in employee cost by Rs.15.03 crore from the approved Rs.37.98 crore to Rs.53.01 crore. Our comments made above on this kind of variations in expenditures and revenue of TGTRANSCO apply to SLDC also and I request the Hon'ble Commission to consider the same and take appropriate decisions.</p>	<p>With regard to the objections/suggestions raised, the following is submitted;</p> <p>i) MYT order for 4th Control period (i.e., FY 2019-20 to FY 2023-24) issued by Hon'ble TGERC is without considering PRC impact in employee cost effected from 01.04.2022 onwards. ii)</p> <p>The impact of PRC for FY 2023-24 is explained as per the Annexure enclosed.</p>
2	<p>For the FY 2025-26, SLDC has revised its ARR to Rs.76.56 crore from the approved Rs.67.98 crore, i.e., an increase of Rs.8.58 crore or 12.62%. While it has proposed an increase of Rs.13.13 crore in capital expenditure from the approved Rs.31.08 crore to Rs.44.21 crore, it has decreased capitalization by Rs.48.64 crore from the approved Rs.62.13 crore to Rs.13.79 crore. It has shown an increase in O&M expenditure by Rs.5.48 crore. The claim of SLDC to consider an average inflation rate of 7.41% (WPI) for the 4th control period as the basis for calculating employee cost is questionable and needs to be pruned.</p>	<p>With regard to the objections/suggestions raised, the following is submitted</p> <p>:</p> <p>The company has considered 5.20% CPI for employee cost computation for FY 2023-24 as per clause 98.3 of Regulation No.2 of 2023.</p>
3	<p>While the weighted average interest rate for actual loans is shown as 9.6%, SLDC has revised the rate of interest on</p>	<p>With regard to the objections/suggestions raised, the following is submitted</p> <p>:</p>

	working capital from 10.15% approved in the MYT order to 10.50%.	The Rate of Interest on Working Capital(IoWC) was arrived at 10.50% (i.e., latest SBI MCLR Rate of Interest at 9% for one year effective from 15.01.2025 plus 150 basis points) in accordance with the clause 33.6 of Regulation No.2 of 2023.
4	Against increase of contracted capacity for SLDC business from 23287.94 MW in 2024-25 to 24584.78 MW for 2025-26, SLDC charges are proposed at Rs.2594.98 per MW per month. After prudence check, we request the Hon'ble Commission to revise the ARR and tariff proposals of SLDC appropriately.	Submission to Hon'ble to TGERC.

ANNEXURE
Pay Revision Impact on Employee Cost

	(Rs in Crores)
1) Employee cost as per Audited (Actuals) accounts filed in APR - 2022-2023 (Including PRC)	56.94
Less : PRC Provision of Employees (Including Artisans)	10.33
Opening Balance of employee Cost as on 01.04.2023 (Excluding PRC)	<u>46.61</u>
2) Opening balance (Without PRC) as on 01.04.2023	46.61
Add : Regular Increment, DA (Whole Year) & Leave Encash	2.93
Closing Balance as on 31.03.2024 (Without PRC)	<u>49.54</u>
Add : PRC impact @ 7 %	3.47
Employee Cost (Including PRC) as on 31.03.2024	<u>53.01</u>