

BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
SHILLONG

PETITION
FOR
**TRUE UP OF STATE LOAD DESPATCH CENTER FOR FY
2013-14**
AND
**PROVISIONAL TRUE UP OF STATE LOAD DESPATCH
CENTER FOR FY 2014-15**
AND
**REVISION OF STATE LOAD DESPATCH CENTERCHARGES
FOR FY 2016-17**

FILED BY
STATE LOAD DESPATCH CENTER
132kV NEHU Sub-station, NEHU Complex
Umjarain, Shillong – 793022

BEFORE THE HONORABLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

At its office at Lower Lachumiere, Shillong – 793001

File/Petition No.: _____

IN THE MATTER OF

TRUE UP OF STATE LOAD DESPATCH CENTER FOR FY 2013-14 AND PROVISIONAL TRUE UP OF STATE LOAD DESPATCH CENTER FOR FY 2014-15 AND REVISION OF STATE LOAD DESPATCH CENTER CHARGES FOR FY 2016-17 UNDER THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (LEVY AND COLLECTION OF STATE LOAD DESPATCH CENTRE FEES AND CHARGES) REGULATIONS, 2009 AND UNDER SECTIONS 62 & 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

STATE LOAD DESPATCH CENTER, 132kV NEHU SUB-STATION, NEHU COMPLEX, UMJARAIN, SHILLONG – 793022, MEGHALAYA

PETITIONER

The Petitioner respectfully submits as under:

1. The State Load Despatch Centre (hereinafter referred to as SLDC) is the apex body for scheduling the system operation in the State of Meghalaya constituted under Section 31 of Electricity Act, 2003. As per Order No. PER-I/135/92/Part/6 dated 28/06/04, the full-fledged SLDC started operation in the year 2004, headed by the engineer in the rank of Superintending Engineer under the control of MeECL.
2. However, as per Notification No.: MeECL/GA/302/2009/36 dt.20.06.2012 the SLDC is entrusted to Meghalaya Power Transmission Corporation Limited from 1st April, 2012.
3. The **Meghalaya State Electricity Regulatory Commission** (hereinafter referred to as “MSERC” or “the Hon’ble Commission”) is an independent statutory body constituted under the provisions of Part – X (Sections 76 to 109) of the Electricity Act (EA), 2003. The Hon’ble Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.
4. Based on the provisions of the Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009 and the Electricity Act, 2003, this petition is being filed for trueing up of gains and losses as per approvals in the SLDC tariff order dated 26th March 2013 and for revising the notified SLDC charges for FY 2016-17 based on the true-up.
5. The Board of Directors of MePTCL have accorded approval for filing of this petition and authorized the undersigned to file the petition accordingly. The copy of the Board’s resolution is hereby enclosed as Annexure-A
6. While filing the present True-up petition for SLDC, the petitioner has, to the best of its ability, endeavored to discharge its obligations and comply with the various applicable legal and regulatory directions and stipulations.

True up Petition for FY 2013-14, Provisional True up Petition for FY 2014-15 and Revised SLDC Charges
for FY 2016-17

7. The petitioner, therefore, humbly prays before the Hon'ble Commission to:
 - a. Approve the true-up of expenses and revenue of SLDC for FY 2013-14 and allow the proposed surplus to be passed on as per MSERC Tariff Regulations 2011.
 - b. Approve the provisional true up of expenses and revenue of FY 2014-15 and allow the proposed gap to be passed on as per MSERC Tariff Regulations 2011.
 - c. Allow the revision of SLDC charges for FY 2016-17 as submitted in order to recover this gap.
 - d. To condone any inadvertent omissions, errors & shortcomings and permit the applicant to add/change/modify/alter this filing and make further submissions as required.

(B. WANKHAR)
EXECUTIVE ENGINEER (MARKET OPERATIONS)
STATE LOAD DESPATCH CENTER

1. Introduction

1.1 Background

1.1.1 The State Load Despatch Centre is the apex body for scheduling the system operation in the State of Meghalaya constituted under Section 31 of Electricity Act, 2003. As per Order No. PER-I/135/92/Part/6 dated 28/06/04, the full-fledged SLDC started operation in the year 2004, headed by the Superintending Engineer under the control of MeECL. However, as per Notification No.: MeECL/GA/302/2009/36 dt.20.06.2012 the SLDC is entrusted to Meghalaya Power Transmission Corporation Limited from 1st April, 2012.

1.1.2 The SLDC has been entrusted with the following functional responsibilities:

- Optimal scheduling and dispatch of electricity within the State, meeting the terms and conditions of the contract between the licensee and generating company and open access consumers.
- Monitoring grid operations.
- Keeping accounts of quantity of electricity transmitted through the State Grid.
- Exercising supervision and control over the intra-state transmission.

Responsibility for carrying out real time operation for grid control and despatch of electricity within the state through secure and economic operation of the state grid in accordance with state grid code and central grid code.

1.1.3 The Electricity Act, 2003 requires the State Government to establish a separate SLDC so as to ensure fair operation and control of intra-state grid. Section 31 of the EA provides that SLDC shall be operated by a Govt. Company/Authority/Corporation as notified by the State Government. In the State of Meghalaya SLDC is maintaining the operation and monitoring of intra-state grid under the control of State Transmission Utility that is the MePTCL. However, Ministry of Power, Govt. of India, has taken initiative to delink Central/State Load Despatch Centers from the Central Transmission Utility/State Transmission Utility.

1.2 Regulatory Provisions for True-up of SLDC Charges

1.2.1 As per section 32(3) of Electricity Act, 2003, the 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.

1.2.2 The Ministry of Power, Govt of India, in exercise of powers conferred under section 183 of the Electricity Act 2003, 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 State Load Despatch Centre may levy and collect such fees and charges from the licensees using the intra-state transmission system as may be specified by the State Commission.

1.1.1 The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009 which provides for levy and collection of system operation charges. Section 4 (10) states as under:

"...shortfall or excess in recovery of SLDC charges, shall be carried forward to the next ARR"

1.1.2 Based on the "The Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009, MSERC has passed its orders on SLDC charges for the FY 2013-14 on 26th March 2013.

1.3 Submissions to the Hon'ble Commission

The petitioner hereby submits the petition under the Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009 and the Electricity Act for true up of SLDC charges for FY 2013-14, provisional true up of SLDC charges for FY 2014-15 and revision of SLDC charges for FY 2016-17.

2. True up of SLDC Charges for FY 2013-14

2.1 Background

- 2.1.1 The Meghalaya SLDC had filed its petition for determination of Aggregate Revenue Requirement for FY 2013-14 before the Honorable MSERC on 14th December 2012. Thereafter, the Honorable Commission, after undertaking technical validation and other examinations, passed the tariff orders for SLDC for FY 2013-14 on 26th March 2013.
- 2.1.2 In line with the provisions of the Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009 and the Electricity Act, 2003, the petitioner is filing this Petition for True Up for the FY 2013-14.
- 2.1.3 The information provided in this petition is on the basis of audited statement of accounts and considering principles adopted by the Hon'ble Commission on the various cost heads of transmission business in its tariff orders. The actual performance has been compared with the approved numbers in the Transmission Tariff Order for FY 2013-14.
- 2.1.4 Though the financial statements of MePTCL and SLDC are not segregated, the petitioner has segregated the cost and revenue heads of MePTCL and SLDC, based on the divisional break-up of accounts of MePTCL.

2.2 Summary of Filings

Against an approved amount of Rs. 2.62 crores approved by the MSERC vide its order on ARR of SLDC dated 26th March 2013 as revenue requirement of SLDC for the FY 2013-14, the actual annual revenue requirement in FY 2013-14, works out to be Rs. 2.01 crores as per its audited financial statements.

Though the employee costs have increased marginally due to revision of manpower requirement to improve the efficiency of the system operator, the petitioner has taken care to reduce the A&G and R&M cost so as to bring down the overall expenses.

Table 1: True up of SLDC Charges for FY 2013-14 (in Rs. Cr.)

Sl. No.	Particulars	MSERC Approved	SLDC Actuals
1	Employees cost	0.92	1.04
2	A & G cost	0.15	0.10
3	R & M expenses	0.82	0.78
4	Depreciation	0.02	0.02
5	Interest & Finance charges	-	-
6	Interest on working capital	0.05	0.05
7	Return on equity	0.02	0.02
8	Additional provision for creation of infrastructure	1.00	-
	Total Expenditure	2.98	2.01
9	Revenue from Tariff	2.62	2.62
10	Other income	0.36	0.00
11	Total Income	2.98	2.62
	Net Surplus/(Deficit)	-	0.61

The petitioner prays to the Commission to approve the net surplus of Rs. 0.61 crores for FY 2013-14 and adjust the same in the SLDC tariff of FY 2016-17.

3. Provisional True up of SLDC Charges for FY 2014-15

3.1 Background

- 4.1.1 The Meghalaya SLDC had filed its petition for determination of Aggregate Revenue Requirement for FY 2014-15 before the Honorable MSERC on 16th December 2013. Thereafter, the Honorable Commission, after undertaking technical validation and other examinations, passed the tariff orders for SLDC for FY 2013-14 on 10th April 2014.
- 4.1.2 In line with the provisions of the Meghalaya State Electricity Regulatory Commission (Levy and Collection of State Load Despatch Centre Fees and Charges) Regulations, 2009 and the Electricity Act, 2003, the petitioner is filing this Petition for True Up for the FY 2014-15.
- 4.1.3 The information provided in this petition is on the basis of provisional statement of accounts of FY 2014-15 and considering principles adopted by the Hon'ble Commission on the various cost heads of transmission business in its tariff orders. The actual performance has been compared with the approved numbers in the Transmission Tariff Order for FY 2014-15.
- 4.1.4 Though the financial statements of MePTCL and SLDC are not segregated, the petitioner has segregated the cost and revenue heads of MePTCL and SLDC, based on the divisional break-up of accounts of MePTCL.

3.2 Summary of Filings

Against an approved amount of Rs. 2.34 crores approved by the MSERC vide its order on ARR of SLDC dated 10th April 2014 as total annual expenditure for the FY 2014-15, the actual annual revenue requirement in FY 2013-14, works out to be Rs. 2.51 crores as per its audited financial statements.

Though the employee costs and R&M expenses have marginally increased due to variations in various employee benefits and various unforeseen maintenance works that had to be taken up, the petitioner has taken care to reduce the A&G expenses.

Table 2: True up of SLDC Charges for FY 2014-15 (in Rs. Cr.)

Sl. No.	Particulars	MSERC Approved	SLDC Actuals
1	Employees cost	1.15	1.17
2	A & G cost	0.20	0.08
3	R & M expenses	0.82	1.09
4	Depreciation	0.12	0.12
5	Interest & Finance charges	-	-
6	Interest on working capital	0.03	0.03
7	Return on equity	0.02	0.02
8	Total Expenditure	2.34	2.51
9	Revenue from Tariff	2.34	2.34
10	Other income	-	-
11	Total Income	2.34	2.34
	Net Surplus/(Deficit)	-	(0.17)

The petitioner prays to the Commission to approve the net gap of Rs. 0.17 crores for FY 2014-15 crores and adjust the same in the SLDC tariff of FY 2016-17.

4. Revised SLDC Charges for FY 2016-17

In the MYT order for approval of SLDC ARR for FY 2015-16 to FY 2017-18, the Commission had approved an ARR of Rs. 2.00 crores for the FY 2016-17.

Now, based on the truing up exercise for FY 2013-14 and FY 2014-15, the petitioner has computed a surplus of Rs. 0.61 crores and a gap of Rs. 0.17 crores respectively to be adjusted in the ARR of FY 2016-17.

Therefore, the revised SLDC ARR for FY 2016-17 after incorporating this gap comes up to Rs. 1.56 crores as shown below:

Table 3: Revised ARR of FY 2016-17 (in Rs. Cr.)

Particulars	Amount
Approved ARR of FY 2016-17	2.00
Less: Surplus/(Gap) carried forward from the True up of FY 2013-14	0.61
Less: Surplus/(Gap) carried forward from the True up of FY 2014-15	(0.17)
Revised ARR of FY 2016-17	1.56

The petitioner prays to the Commission to approve this revised ARR of Rs. 1.56 crores to be recovered from its beneficiaries in FY 2016-17.