



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION (APSERC)**

Order on

**Petition for Approval of Business Plan and ARR for the MYT control
period FY 2025-26 to FY 2029-30 and charges for FY 2025-26**

for

State Load Despatch Centre

Government of Arunachal Pradesh

Issued on 11/07/2025

**Arunachal Pradesh State Electricity Regulatory Commission
अरुणाचल प्रदेश राज्य विद्युत नियामक आयोग
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Abbreviations

Abbreviation	Description
A&G	Administration & General
ACT	Electricity Act, 2003
APSERC	Arunachal Pradesh State Electricity Regulatory Commission
APSLDC	Arunachal Pradesh State Load Despatch Centre.
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal For Electricity
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Cr./ Crs	Crore/ Crores
D/E	Debt Equity
DOP, AP	Department of Power, Govt. of Arunachal Pradesh
FY	Financial Year
GFA	Gross Fixed Assets
GoAP	Government of Arunachal Pradesh
IoWC	Interest on Working Capital
MW	Mega Watt
O&M	Operation & Maintenance
NTI	Non-Tariff Income
ROE	Return on Equity
Rs.	Rupees
SBI	State Bank of India
SBI-MCLR	State Bank of India- Marginal Cost Lending Rate
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Centre
YoY	Year on Year


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Before

The Arunachal Pradesh State Electricity Regulatory Commission (APSERC)

Itanagar, Arunachal Pradesh

Petition No. TP – 03 of 2025

In the matter of:

**Petition approval of Business Plan and ARR for the MYT control period FY 2025-26 to
FY 2029-30 and SLDC charges for FY 2025-26 by State Load Despatch Centre,
Arunachal Pradesh.**

In the matter:

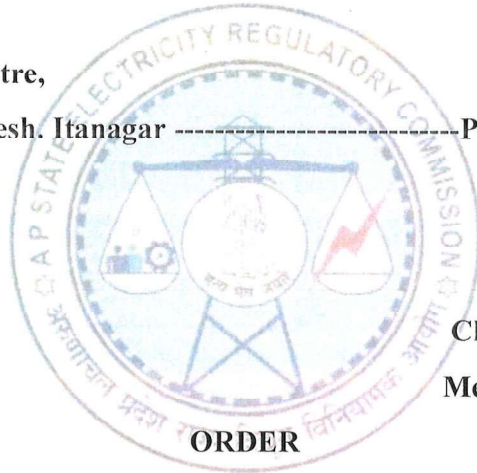
State Load Despatch Centre,

Govt. of Arunachal Pradesh, Itanagar -----Petitioner

PRESENT:

Hon'ble R.K Joshi

Hon'ble Nich Rika

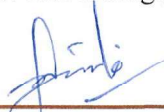


Chairperson, APSERC

Member (Law), APSERC

(Passed on 11.07.2025)

1. The Commission in exercise of the powers vested in it under section 62 (1) (a) read with Section 62 (3) and Section 64 (3) (a) of the Electricity Act, 2003 and APSERC (Multi Year Tariff) Regulations, 2024 and other enabling provisions in this behalf, hereby issues this order, determining the Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30 and charges for the FY 2025-26 for State Load Despatch Centre, Government of Arunachal Pradesh. The relevant Regulation issued by the Commission requires that the State Load Despatch Centre shall file petition for approval of ARR before the Commission for a FY including Business Plan for a control period, complete in all respects, along with requisite fee as prescribed in the APSERC (Fees) Regulations, 2011 and amendments thereof on or before 30th November of the preceding year. Accordingly, the petition for the FY 2025-26 should

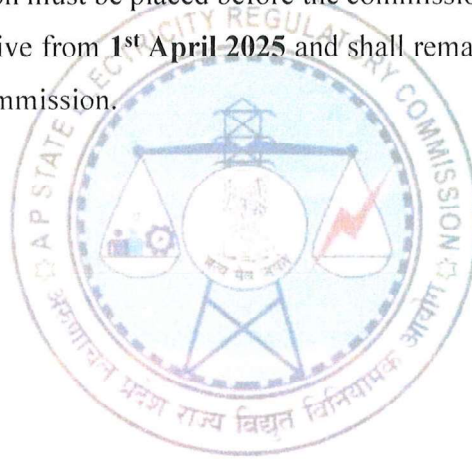

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have been filed by the SLDC on or before 30th November, 2024. However, SLDC filed the said petition before the Commission on vide No SLDC/W-207/2024-25/2432-38 dated the 27th February 2025.

2. While issuing the order on petitions the Commission has taken into consideration of the following:
 - (a) Provisions of APSCRC (Multi Year Tariff) Regulations,2024.
 - (b) Documents and information submitted by the Petitioner.
3. This order consists of eight chapters, which include detailed analysis of the Business Plan & Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30; approved SLDC charges for the FY 2025-26. The Commission hereby directs SLDC to take all necessary steps for implementation of this order from the date specified below.
4. The directives contained in Chapter-8 shall be strictly adhered to and compliance thereof, as desired by the Commission must be placed before the commission within the stipulated time.
5. This order shall be effective from **1st April 2025** and shall remain in force till the next tariff order is issued by the Commission.

Date: 11.07.2025

Place: Itanagar



Sd/-

Shri Nich Rika
Member (Law)

Sd/-

Shri R.K. Joshi
(Chairperson)


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Chapter 1: INTRODUCTION

Arunachal Pradesh State Electricity Regulatory Commission

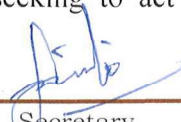
1.1 In exercise of the powers conferred by the Electricity Act, 2003, (hereinafter referred to as Act) the Government of Arunachal Pradesh constituted the Electricity Regulatory Commission for the State of Arunachal Pradesh to be known as "Arunachal Pradesh State Electricity Regulatory Commission" (APSERC) as notified on 07.05.2010 (hereinafter referred to as Commission). The Arunachal Pradesh State Electricity Regulatory Commission has been functioning with effect from 02.03.2011 with the objective and purpose for which the Commission has been established i.e., to discharge its functions as per Section 86 of the Act. The Commission had been functioning as a single member Commission as per provisions of prevalent laws/rules till the retirement of Shri R P Singh, the then Chairperson of the Commission from the post of Chairperson on 31.12.2019. The Post of Chairperson remained vacant till 17.07.2023 and hence no regulatory activities were taken up during this intervening period. After a gap of about three and half years a two-member Commission was constituted on 18.07.2023 notified vide No. PWRs/W-1075/2004/Pt/5715/37 dated 19.07.2023. Thereafter, the Commission continues to discharge the functions as envisaged in the Act.

1.2 In accordance with Section 86 (1) of the Act, the APSERC discharges the following functions:

- a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- c) facilitate intra-State transmission and wheeling of electricity;
- d) issue licenses to persons seeking to act as transmission licensees, distribution


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licensees and electricity traders with respect to their operations within the State;

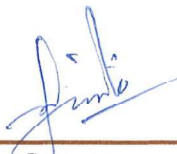
- e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- g) levy fee for the purposes of this Act;
- h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- k) discharge such other functions as may be assigned to it under this Act.

1.3 The Commission has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- a) promotion of competition, efficiency and economy in activities of the electricity industry;
- b) promotion of investment in electricity industry;
- c) reorganization and restructuring of electricity industry in the State;
- d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.4 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.5 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:



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- a) ensure availability of electricity to consumers at reasonable and competitive rates;
- b) ensure financial viability of the sector and attract investments;
- c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- d) promote competition, efficiency in operations and improvement in quality of supply.

Arunachal Pradesh - Geographical Reality

1.6 The total area of the State of Arunachal Pradesh is 83573 sq. kms. The State is having a population of around 13.82 lakhs (2011 Census). The State of Arunachal Pradesh is bounded by Assam in South, Bhutan in West, China in North, and Nagaland and Myanmar in East. It's Capital, Itanagar is about 380 kms. from Guwahati.

Arunachal Pradesh State Load Despatch Centre (SLDC)

1.7 The State Load Despatch Centre (herein after referred as 'SLDC' or 'Petitioner') is the apex body constituted vide section 31 of the Indian Electricity Act-2003(Central Act No.36 of 2003) and complies with the directions stipulated in Section 33 to ensure integrated operation of the power system in the state of Arunachal Pradesh. The SLDC (State Load Despatch Centre) in Arunachal Pradesh is a government established centre responsible for managing the state's power grid, monitoring electricity generation and distribution and ensuring a stable supply of power across the region, essentially acting as the 'nerve centre' for power management within the state as per the Electricity Act,2003. Arunachal Pradesh SLDC Division was created along with the Transmission Division-II in the year 2015. Later the SLDC Division was bifurcated from the Transmission Division-II in the year 2019.

1.8 The functions of State Load Despatch Centre as per Electricity Act 2003 is given below:

"Section 32. (Functions of State Load Despatch Centres): --- (1) The State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system in a State.

(2) The State Load Despatch Centre shall –

(a) be responsible for optimum scheduling and despatch of electricity within a State, in


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accordance with the contracts entered into with the licensees or the generating companies operating in that State;

(b) monitor grid operations;

(c) keep accounts of the quantity of electricity transmitted through the State grid;

(d) exercise supervision and control over the intra-State transmission system; and


(e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

(3) The State Load Despatch Centre 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.

Petitioners Prayer

1.9 The Petitioner in the Filing of Petition for approval of Annual Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30 and SLDC Charges for FY 2025-26 has prayed for the following:

- a) Accept the MYT petition for the control period FY 2025-26 to FY 2029-30 & proposal for SLDC charges for FY 2025-26.
- b) To admit the Tariff Petition as per the provisions of the APERC (MYT) Regulations 2024.
- c) To consider present Petition for further proceedings before Hon'ble Commission.
- d) To approve the total recovery of ARR as proposed by SLDC.
- e) To allow the ARR based on assumptions wherever considered, till the segregation of accounts of SLDC is carried out.
- f) To grant any other relief as the Hon'ble Commission may consider appropriate.
- g) To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice:
- h) To condone any error omission and to give opportunity to rectify the same.
- i) To permit SLDC to make further submissions, addition and alteration to this Petitions as may be necessary from time to time.


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Chapter 2: PROCEDURAL HISTORY

Background

- 2.1 The Petitioner, State Load Despatch Centre of Arunachal Pradesh, has submitted a petition before the Commission for the first time, seeking approval for the determination of the Annual Revenue Requirement and SLDC charges.
- 2.2 The Petitioner had filed a petition for approval of ARR for control period FY 2025-26 to FY 2029-30 and charges for FY 2025-26 on 27th February 2025. The petition was admitted by the Commission on 3rd March 2025 with a direction to SLDC to publish the petition in abridged form in two daily newspapers for inviting comments and suggestions however there was a delay on the part of the Petitioner and the petition was published on 3rd April 2025.

Information Gaps in the Petition

- 2.3 In exercise of Tariff determination process, deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide APERC/RA-28/II/2025-26/15 dated 10th April 2025.
- 2.4 In response, the Petitioner furnished partial information to the Commission vide letter No EE/SLDC/W-207/2024-25/117-121 dated Itanagar the 9th May 2025.
- 2.5 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold a Public Hearing on 14th May 2025.
- 2.6 During the course of the public hearing, the Commission directed the Petitioner to furnish the audited accounts as previously sought through its communication dated 10th April 2025. The Petitioner voluntarily undertook to submit the requisite details within a period of one week. However, upon the lapse of the stipulated timeline, no such submission was received by the Commission. Consequently, the Commission issued a reminder notice bearing reference No. APERC/RA-28/II/2025-26/88 dated 30th May 2025.
- 2.7 Subsequent to the issuance of the reminder notice, the Petitioner furnished additional documents vide Letter No. SE/SO&PSC/W-67/2024-25/214-219 dated 04.06.2025.
- 2.8 Upon scrutiny of the submitted documents, the Commission observed certain discrepancies. To address the issues, a technical validation session was conducted on 18th


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June 2025 in the Commission's conference hall, which was attended by officials from APDOP and SLDC. The minutes of the meeting are attached as Annexure II.

2.9 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner and has also taken into account the findings in the technical validation session while passing this Order.

Inviting Public Comments/Suggestions

2.10 The Commission after admission of the Petition had directed the petitioner to publish a public notice inviting comments/suggestions from public and to make available copies of the Petition to the members of general public on request. Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

Table 1 List of Newspapers and dates of publication of public notice by Petitioner

Newspaper	Language	Date of Publication
The Arunachal Age	English	03.04.2025 & 04.04.2025
The Arunachal Pioneer	English	03.04.2025 & 04.04.2025
The Arunachal Times	English	03.04.2025 & 04.04.2025
Echo of Arunachal	English	03.04.2025 & 04.04.2025
Eastern Sentinel	English	03.04.2025 & 04.04.2025


2.11 The Commission has also uploaded the petition on its website www.apserc.nic.in. Further in order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission, the Commission also held a public hearing on 14th May 2025. The details of the newspaper wherein the notice of public hearing was published is given in the table below:

Table 2 List of Newspaper and date of publication of public notice by the Commission

Newspaper	Language	Date of Publication
Arunachal Times	English	30.04.2025
Arunachal Pioneer	English	30.04.2025

Submission of Comments/Suggestions and Conduct of Public Hearing

2.12 No comments or suggestions on the Petition were received following the publication of the public notice. Furthermore, no comments or objections were raised during the public hearing. The details pertaining to the public hearing is being discussed in Chapter 4 of this Order.


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Chapter 3: BRIEF FACTS ABOUT THE PETITION

3.1 The following chapter summarizes the Petition for approval of Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30 and SLDC charges for FY 2025-26 as submitted by the Petitioner for Commission's approval.

ARR for FY 2025-26 to FY 2029-30

3.2 The Petitioner has submitted for approval of Annual Revenue Requirement for the control period FY 2025-26 to FY 2029-30 as given in the table below:

Table 3 Annual Revenue Requirement for FY25-26 to FY29-30 as projected by the Petitioner (in Lakhs)

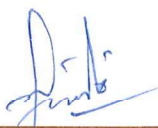
S.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee Cost	283.79	300.41	318.01	336.64	356.36
2	R&M Expenses	147.83	254.00	259.90	263.13	266.37
3	A&G Expenses	29.47	31.20	33.03	34.96	37.01
4	Depreciation	0.00	0.00	0.00	0.00	0.00
5	Interest on Loan Capital	0.00	0.00	0.00	0.00	0.00
6	Interest on Working Capital	11.10	14.10	14.71	15.28	15.88
7	Return on Equity	0.00	0.00	0.00	0.00	0.00
8	Total ARR	472.19	599.71	625.64	650.01	675.61
9	Less: Non-Tariff Income	0.70	0.70	1.00	1.20	1.40
10	Net ARR	471.49	599.01	624.64	648.81	674.21

SLDC Charges for FY 2025-26

3.3 The Petitioner has submitted the SLDC charges for FY 2025-26 by considering the ARR submitted for FY 2025-26 and the existing contracted capacity for the FY 2024-25. The details of which is given in the table below:

Table 4 SLDC charges as submitted by the Petitioner for FY 2025-26

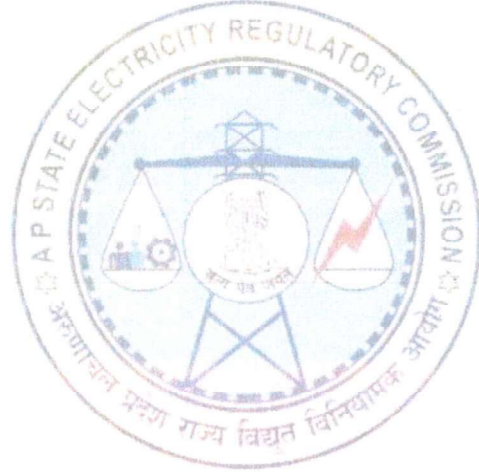
S.No	Particulars	Unit	Amount
1	Recovery of Operating Charges	Rs.Lakhs	471.49
2	Contracted Capacity	MW	324.61
3	LDC Charges	Rs./MW/Month	12104

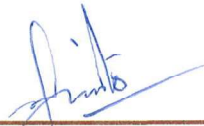


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CHAPTER 4: PUBLIC CONSULTATION PROCESS

4.1 A Public Hearing was held by the Commission on 14th May 2025 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition. However, no specific comments/objections have been received on the petition by the Commission. The list of the attendees in the public hearing is mentioned in Annexure-I of this Order.




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CHAPTER 5: Business Plan for the Control Period of FY 2025–26 to FY 2029-30

Capital Expenditure and Capitalization schedule

Petitioners Submission

5.1 The Petitioner has filed the current Business Plan keeping in view the specific requirements of the Load Despatch function and in accordance with the provisions of the APERC – (Multi Year Tariff Regulations), 2024. The Capital expenditure plan and Capitalization schedule as projected by the Petitioner for the control period FY 2025-26 to FY 2029-30 is shown below: -

Table 5 Summary of Capital Expenditure as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs Lakhs)

Sl. No	Particulars	Actual Capital Expenditure (in Rs. Lakhs)	Estimated Capital Expenditure (in Rs. Lakhs)	Projection				
				FY 2023-24	FY 2024-25	FY 26	FY 27	FY 28
On Going Schemes								
1	Civil Infrastructure-Data Centre, office and Residential.	200	700	221	-	-	-	-
2	Cyber Security Operation Centre (C-SOC) including H/W, S/W & Infrastructure	nil	nil	1300	10	10	10	10
3	Charges for V-SAT Connectivity	12	12	12	12	12	12	12
4	Charges for Static IP and Bandwidth	38	38	38	38	38	38	38
5	Integration of all EHV and major 33/11 kV Su-Station through VHF/GPRS to SLDC	70	80	20	0	0	0	0
6	Charges for API for ADMS system	nil	0	0.65	0.65	0.65	0.65	0.65
New Schemes:								
7	C/o Backup SLDC at Niglok, Pasighat.	nil	400	400	50	nil	nil	nil



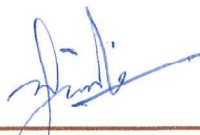
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Order on Petition for Approval of ARR for FY 26 to FY 30 & Charges for FY26

Sl. No	Particulars	Actual Capital Expenditure (in Rs. Lakhs)	Estimated Capital Expenditure (in Rs. Lakhs)	Projection				
8	Laying of Interlocking paver block for the parking lodge and Approach Road of SLDC Complex Chimpu.	nil	48	nil	nil	nil	nil	nil
9	I.T enabled Audio Visual System surveillance and Automation of SLDC Building i/c Conference / V.C Room	70	nil	nil	nil	nil	nil	nil
Total		390.00	1278.00	1991.65	110.65	60.65	60.65	60.65

Table 6 Summary of capitalization schedule as projected by the Petitioner for FY 2025-26 to FY 2029-30(in lakhs)

Sl. No	Particulars	Actual Capitalisation (Rs. In Lakhs)	Estimated Capitalisation (Rs. In lakhs)	Projected				
				FY 2023-24	FY 2024-25	FY 26	FY 27	FY 28
1	Civil Infrastructure-Data Centre, office and Residential.	200	700	221	-	-	-	-
2	Cyber Security Operation Centre (C-SOC) including H/W, S/W & Infrastructure	nil	nil	1300	10	10	10	10
3	Charges for V-SAT Connectivity	12	12	12	12	12	12	12
4	Charges for Static IP	38	38	38	38	38	38	38



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Order on Petition for Approval of ARR for FY 26 to FY 30 & Charges for FY26

Sl. No	Particulars	Actual Capitalisation (Rs. In Lakhs)	Estimated Capitalisation (Rs. In lakhs)	Projected				
5	Integration of all EHV and major 33/11 kV Su-Station through VHF/GPRS to SLDC	70	80	20	0	0	0	0
6	Charges for API for ADMS system	nil	0	0.65	0.65	0.65	0.65	0.65
Sub-Total (A)		320.00	830.00	1591.65	60.65	60.65	60.65	60.65
New Schemes:								
7	C/o Backup SLDC at Niglok, Pasighat.	nil	400	400	50	nil	nil	nil
8	Laying of Interlocking paver block for the parking lodge and Approach Road of SLDC Complex Chimpu.	nil	48	nil	nil	nil	nil	nil
19	I.T enabled Audio Visual System surveillance and Automation of SLDC Building i/c Conference / V.C Room	70	nil	nil	nil	nil	nil	nil
Sub-Total (B)		70.00	448.00	400.00	50.00	0.00	0.00	0.00
Grand Total (A)+(B)		390.00	1278.00	1991.65	110.65	60.65	60.65	60.65

5.2 The scheme wise details are elaborated in the para below:

i. Civil Infrastructure-Data Centre, office and Residential: -

As mandated electricity act 2003, every state is required to establish SLDC to be working as an apex body in the state to monitor the power system. So, the department of power, Government of Arunachal Pradesh had created a separate division to be named as SLDC division under the



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transmission circle. In the beginning SLDC division was operating from a temporary office building located at P sector near Raj bhavan, Itanagar with its control room established in the existing building of transmission-II division at Chimpu. The SCADA/EMS system that is used by the SLDC for real time monitoring and data acquisition is also installed at the temporary control centre in the office of transmission division 2 at Chimpu. The SCADA EMS expansion scheme which was implemented by power grid does not cover civil infrastructure building (Office/Residential Building) under its scope. Proper civil infrastructural facilities are required for installation of SCADA and Allied system. Hence a building of appropriate dimension and standard is needed to house the SLDC control room and other associated offices. Furthermore, SLDCs are required to be operated 24x7 with ad equated number of offices. In order to ensure full time and readily optimum deployment of manpower it becomes imperative that all the personnel are provided with accommodation facilities within the SLDC complex. In view of above, it has been proposed to construct a multi-storied RCC building to accommodate the offices (SLDC Control room, divisional office, conference hall etc) and residential accommodation at Chimpu, Itanagar. The proposal was placed to the Government and subsequently the expenditure sanctioned for amount of Rs 10 Crore was approved wide memo no. pwrs/EST-75/2017-18(TPMZ)/507-18, dated 14/01/2020. The balance amount was sanctioned in the successive year.

ii. Cyber Security Operation Centre (C-SOC) including H/W, S/W & Infrastructure:

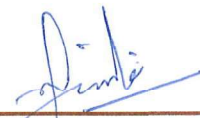
With rapid advancement in technological front in the area of power system cyber security has become one of the major challenges in today's world. Time in again directives has been received from CERT-GO under ministry of power, government of India for establishment of security operation centre (SOC) in the states to mitigate the threat of cyber-attacks in the power system grid. Therefore, SLDC, Arunachal Pradesh is planning to establish a fully operational security operation centre in the SLDC building. The amount stated above for establishment of SOC has been quoted based on the price quotation submitted by the firm.

iii. Charges for V-SAT Connectivity: -

V-SAT system is used as a communication channel between the SCADA system in the SLDC control room and the remote sub-station for acquisition of real time data. Continues availability of data from various grid-substation is very much essential for real time monitoring of power system grid within the state of Arunachal Pradesh.

iv. Charges for Static IP: -

These static IPs has been procured from airtel service provider for providing internet connectivity to various system like SCADA, ADMS, SAMAST system etc. SLDC Arunachal Pradesh is making yearly payment to the vendor as charges for the static Ips.


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v. Integration of all EHV and major 33/11 kV Sub-Station through VHF/GPRS to SLDC: -

The main objective of this project is to enable the SLDC control room shift in charge to have access to the Real Time Parameters of the important 33/11 KV substation of department of Power and important grid substation to ensure integrated, safe and secure grid operation and to enable optimum load forecasting and scheduling of power for Arunachal Pradesh to prevent penalties/ DSM charges. The project was approved by the Government and subsequently expenditure sanctioned for the amount of Rs 400 lakhs was issued wide memo no PWRS/w-12/2022/(c-no.47908)/2239-51 dated 20/03/2022.

vi. Charges for API for SAMAST system: -

The SAMAST system was funded by the PSDF and has been successfully commissioned on 19th July, 2024. Under the SAMAST system the scheduling module was required to be integrated with the NERLDC scheduling data base. For this integration, the required API along with various domains has been procured from a third party. The payment for API charges is being made on yearly basis to the firm.

vii. C/o Backup SLDC at Niglok, Pasighat: -


As a contingency major every state is required to have a backup SLDC apart from the main SLDC. Therefore, we have proposed the construction of backup SLDC building at Niglok, Pasighat. Under the "SCADA/EMS upgradation scheme, which is being funded by PSDF, the executing agency the Power Grid is providing all the hardware equipment's along with the required software. However, the civil infrastructure i.e., backup SLDC building is not covered under this centrally funded scheme. Therefore, we are proposing for construction of backup SLDC building from our own fund.

viii. Laying of Interlocking paver block for the parking lodge and Approach Road of SLDC Complex Chimpu: -

The interlocking paver block has been laid for construction of parking facility in front of the SLDC complex periphery. The construction of parking facility was not covered under the scheme for construction of SLDC building. Therefore, a separate fund was allocated for laying of interlocking paver block.

ix. IT enabled Audio-Visual System surveillance and Automation of SLDC Building i/c Conference / V.C Room: -

The officers of SLDC Arunachal Pradesh are frequently engaged in online meeting / seminars / conferences with NERLDC and NERPC. For facilitating these meetings in seamless manner there was a requirement of a dedicated IT enables audio visual system in the conference hall and VC room at SLDC building. Therefore, the IT enable audio visual system has been procured and installed at SLDC building.

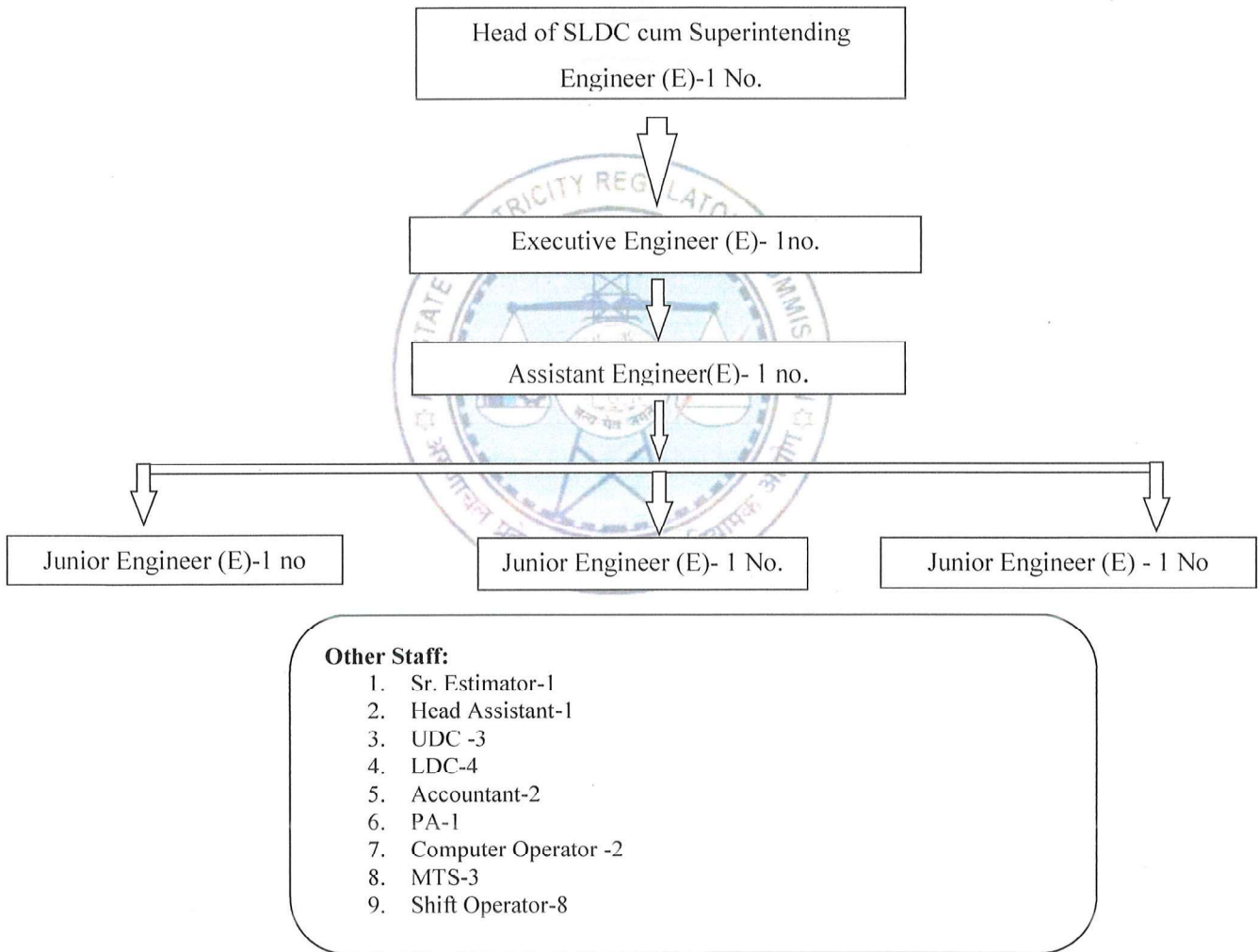

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Financing Plan

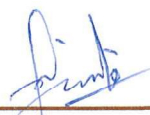
5.3 The Petitioner has submitted that the entire funding of the proposed Capitalization is envisaged through Grant from the Government of Arunachal Pradesh and SLDC requests the Hon'ble Commission to approve the funding of Capitalization for FY 2025-26 to FY 2029-30.

Organizational Structure

5.4 The Petitioner has submitted the current organization structure as given in the figure below:



5.5 The Petitioner has further stated that as per latest notification from the Ministry of Power, Govt. of India dated 30th October 2024 (copy attached) manpower requirement for all the emerging SLDCs is minimum 62 inclusive of executive and non-executive for the


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SLDC to run smoothly. Apart from acting as power sector regulator within the State, SLDCs are involved in varieties of activities such as System Operation, Energy Scheduling, Market Operation, System Logistics which requires trained manpower in adequate number. Therefore, SLDC Arunachal Pradesh shall require the workforce in the next 4-5 Years.

5.6 The Petitioner has also submitted plans and initiatives for capacity building of the executives of the SLDC for the control period as detailed in the table below:

Table 7 Capacity Building programmes for executives of SLDC projected by the Petitioner for FY 2025-26 to FY 2029-30(in Rs.Lakhs)

Sl. No	Name of Training Plan	Estimated Amount (Rs. In Lakh) in FY						
		FY24	FY 25	FY 26	FY27	FY28	FY29	FY30
1	Existing Training Plan							
1(a)	i)Basic: Power System Operations ii) Basic: Refresher 1 (PSO),Online iii) Basic: Cyber Security iv) Basic: Behavioural & Soft Skills v) Development	50	50	50	50	50	50	50
2	New Training Plan	NA	NA	30	30	30	30	30
2(a)	i)Specialist: Power Markets ii)Specialist: Power system reliability iii)Specialist: Refresher 1 (PSR), Online iv)Specialist: Renewable Energy Sources and grid Integration v) Specialist: Power System Logistics vi) Intermediate: Cyber Security vii) Specialiser: Regulatory Framework in Power Sector							

Power Scenario in Arunachal Pradesh

5.7 The Petitioner has stated that Arunachal Pradesh has targeted towards continuous improvement in Generation, Transmission and Distribution sectors, the gap between


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generation & demand is continuously narrowing down. The table below shows power scenario, in the State for past five Financial Years.

Table 8 Power Demand Scenario in Arunachal Pradesh as submitted by the Petitioner

Year	Maximum Demand Met (MW)
FY 2019-20	151
FY 2020-21	155
FY 2021-22	158
FY 2022-23	160
FY 2023-24	178
FY 2024-25	195

Table 9 Source wise Tied up capacity(MW) in Arunachal Pradesh up to march 2024 as submitted by the Petitioner

Source	Thermal	Hydro	Nuclear	Renewable	Total
Capacity (MW) Tied-up	91	225	-	-	316

Table 10 Source wise Tied up capacity(MW) in Arunachal Pradesh up to September 2024 as submitted by the Petitioner

Source	Thermal	Hydro	Nuclear	Renewable	Total
Capacity (MW) Tied-up	91	225	-	-	316

5.8 The Petitioner has also projected energy and peak power projections as per SLDC estimates over the years (in actuals). The details provided by the Petitioner is given below:

Table 11 Energy Requirement & Peak Demand in actuals as submitted by the Petitioner

FY	2019-20	2020-21	2021-22	2022-23	2023-24
Energy Requirement(in MU)	456	405.11	518	585.1	673
Peak Demand (in MW)	151	155	158	160	178

Table 12 Energy Requirement & Peak Demand projected by the Petitioner

FY	2024-25	2025-26	2026-27	2027-28	2028-29
Energy Requirement (in MU)	751	839.62	940	1,054	1,184
Peak Demand (in MW)	195	214	235	258	283

Current IT Infrastructure

5.9 The Petitioner has also given a brief of the current infrastructure which is given as below:

➤ **SAMAST: -**

The SAMAST system stands for Scheduling, Accounting, Metering and Settlement of Transaction in Electricity. It consists of 6 modules namely:

1. Scheduling module
2. Open Access Module
3. Meter Data Management
4. Energy Accounting
5. Management information System (MIS)


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6. E-Log Book and Website.

The SAMAST system provides an innovative platform to SLDC and other intra-state power utilities for management of Meter Data, Scheduling, Power Trading, Generation Monitoring, and record keeping.

➤ **CORRESPONDING WEBSITE: -**

- i) <https://arpslhc.in>
- ii) <https://scheduling.arpslhc.in>
- iii) <https://openAccess.arpslhc.in>
- iv) <https://mis.arpslhc.in>

➤ **SCADA: -**

For real time monitoring and data acquisition SCADA system has been installed at SLDC control room and in operation since 2018. All the 132/33 KV and above grid sub-station in the state has been linked with the SCADA system either through OPGW or VSAT. For maintenance of SCADA system, the AMC is being borne by the state government.

➤ **ADMS: -**

Automatic Demand Management System has been installed in all the identified 33 KV and 11 KV feeders for load relief during grid contingency at 07 nos. of 33/11 kV Sub-Stations. Whenever grid frequency drops beyond the pre-defined level, the feeders are made to trip in sequence as per logic incorporated. The tripping may be carried out manually too, if required. The system also provides real time data of Distribution level Sub-Station.

➤ **UNMS: -**

Unified Network Management System

➤ **V-SAT: -**

For Communication Purpose.

5.10 The Petitioner has further prayed to the Honourable Commission to approve the Business Plan as submitted above.

Commissions Analysis

5.11 The Commission has reviewed the business plan submitted by the Petitioner and has referred to Clause 2.3 subsection (2) (IV) of the APSERC MYT Regulation 2024, which outlines the key aspects to be covered in the business plan as referred below:

"2.3 Business Plan

.....

IV. For a State Load Dispatch Centre (SLDC)



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- (a) *Capital Investment Plan should include yearly phasing of capital expenditure along with the source of funding, financing plan and corresponding capitalisation schedule. The system augmentation/expansion plan to be submitted as a part of Capital Investment Plan shall be consistent with the system requirement during the control period. The requirement software and hardware systems should be clearly mentioned under the Capital Investment Plan.*
- (b) *The Applicant shall also submit the details in respect of its manpower planning for the Control Period as part of Business Plan.”*

- 5.12 The Commission has duly examined the Capital Investment Plan and the Capitalization Schedule submitted by the Petitioner for the Control Period FY 2025-26 to FY2029-30. The said submission primarily encompasses major schemes directed towards the upgradation and enhancement of the existing State Load Despatch Centre (SLDC) infrastructure, including improvements in civil infrastructure, augmentation of cyber security measures, and the integration of advanced IT-enabled functionalities. The Commission has taken note of the website details furnished by the Petitioner, which appear to be invalid. Accordingly, the Commission directs the Petitioner to rectify the issue and ensure that the website is accessible and functions properly, thereby upholding transparency.
- 5.13 The Commission has also taken note of the Petitioner’s submission regarding the inadequacy of existing manpower for the proper functioning of the SLDC. The Commission believes that, for the SLDC to operate effectively and fulfil its roles and responsibilities as outlined under Section 32 of the Electricity Act, 2003, it requires dedicated and skilled personnel. Therefore, the Commission is of the opinion that the SLDC should initiate the process of augmenting its manpower under various categories to ensure that its operations are not hindered and the objectives behind its establishment are fully achieved.
- 5.14 The Commission also reiterates that importance of upgradation and proper functioning of SLDC is essential for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.
- 5.15 The Commission has also noted the submission made by the Petitioner that the entire expenditure during the control period i.e. FY 2025-26 to FY 2029-30 is being supported by the Government of Arunachal Pradesh as a budgetary grant with no external borrowing.


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5.16 In view of the above, the Commission hereby approves the Business Plan submitted by the Petitioner. However, the Petitioner is directed to ensure that all activities assigned for the respective years are completed on time and in accordance with the projected timelines. Additionally, the Petitioner is instructed to submit periodic (quarterly) reports to the Commission, providing updates on the status of various activities related to the capitalization schedule and outlining the initiatives undertaken to enhance the functioning of the SLDC.



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Chapter 6: Analysis of ARR for FY2025-26 to FY2029-30

- 6.1 This section outlines the projections made by the Petitioner for the control period FY 2025-26 to FY 2029-30 along with Commission's analysis and approval.
- 6.2 The Petitioner, in line with provisions of the APERC (Multi Year Tariff) Regulations, 2024 has submitted the projections against various components for the control period i.e. FY 2025-26 to FY 2029-30.
- 6.3 The Commission based on the provisions of the APERC (Multi Year Tariff) Regulations, 2024 along with data/information's submitted by the Petitioner has carried out the approval of ARR for the FY 2025-26 to FY 2029-30.
- 6.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Gross Fixed Asset

Petitioners Submission

- 6.5 The Petitioner has projected the Gross Fixed Assets (GFA) for the control period FY 2025-26 to FY 2029-30, based on the proposed capitalization schedule as detailed in the preceding section of this Order.
- 6.6 The Petitioner has considered the closing GFA as per actuals for FY 2024-25 as the opening GFA for FY 2025-26 and has considered the additions accordingly. YoY details of gross fixed asset as projected by the Petitioner is given in the tables below:

Table 13 Gross Fixed Asset as projected by the Petitioner for FY 2025-26(in Lakhs)

Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Fire Related Equipment	-	-	-	-
Battery Including Charging Equipment	-	-	-	-
Building	1,348	1,921	-	3,269
Transmission lines	37	-	-	37
Sub Station Equipment	211	20	-	231
Communication Equipment	797	-	-	797
AC Port	-	-	-	-
Ref. & Water Coolers	-	-	-	-
Meter Test	-	-	-	-
Other Misc. Equipment	-	-	-	-
Furniture & Fixtures	82	-	-	82
Computer	17	-	-	17
Others	164	-	-	164
Computer & Communication	118	51	-	169

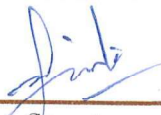

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Table 16 Gross Fixed Asset as projected by the Petitioner for FY 2028-29(in Lakhs)

Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Fire Related Equipment	-	-	-	-
Battery Including Charging Equipment	-	-	-	-
Building	3,329	10	-	3,339
Transmission lines	37	-	-	37
Sub Station Equipment	231	-	-	231
Communication Equipment	797	-	-	797
AC Port	-	-	-	-
Ref. & Water Coolers	-	-	-	-
Meter Test	-	-	-	-
Other Misc. Equipment	-	-	-	-
Furniture & Fixtures	82	-	-	82
Computer	17	-	-	17
Others	164	-	-	164
Computer & Communication	280	51	-	331
Software (Intangible)	-	-	-	-
Total	4,936.08	60.65	-	4,996.73

Table 17 Gross Fixed Asset as projected by the Petitioner for FY 2029-30(in Lakhs)

Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Fire Related Equipment	-	-	-	-
Battery Including Charging Equipment	-	-	-	-
Building	3,339	10	-	3,349
Transmission lines	37	-	-	37
Sub Station Equipment	231	-	-	231
Communication Equipment	797	-	-	797
AC Port	-	-	-	-
Ref. & Water Coolers	-	-	-	-
Meter Test	-	-	-	-
Other Misc. Equipment	-	-	-	-
Furniture & Fixtures	82	-	-	82
Computer	17	-	-	17
Others	164	-	-	164
Computer & Communication	331	51	-	381
Software (Intangible)	-	-	-	-
Total	4,996.73	60.65	-	5,057.38

6.7 A summary of the projected GFA for the said period, as submitted by the Petitioner, is


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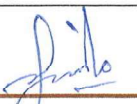
Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Software (Intangible)	-			-
Total	2,773.13	1,991.65	-	4,764.78

Table 14 Gross Fixed Asset as projected by the Petitioner for FY 2026-27(in Lakhs)

Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Fire Related Equipment	-	-	-	-
Battery Including Charging Equipment	-	-	-	-
Building	3,269	50	-	3,319
Transmission lines	37	-	-	37
Sub Station Equipment	231	-	-	231
Communication Equipment	797	-	-	797
AC Port	-	-	-	-
Ref. & Water Coolers	-	-	-	-
Meter Test	-	-	-	-
Other Misc. Equipment	-	-	-	-
Furniture & Fixtures	82		-	82
Computer	17		-	17
Others	164			164
Computer & Communication	169	60.65		229
Software (Intangible)	-			-
Total	4,764.78	110.65	-	4,875.43

Table 15 Gross Fixed Asset as projected by the Petitioner for FY 2027-28(in Lakhs)

Description of Assets	Opening Assets	Asset Addition	Asset Disposal	Closing Assets
Fire Related Equipment	-	-	-	-
Battery Including Charging Equipment	-	-	-	-
Building	3,319	10	-	3,329
Transmission lines	37	-	-	37
Sub Station Equipment	231	-	-	231
Communication Equipment	797	-	-	797
AC Port	-	-	-	-
Ref. & Water Coolers	-	-	-	-
Meter Test	-	-	-	-
Other Misc. Equipment	-	-	-	-
Furniture & Fixtures	82		-	82
Computer	17		-	17
Others	164			164
Computer & Communication	229	51		280
Software (Intangible)	-			-
Total	4,875.43	60.65	-	4,936.08


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presented in the table below:

Table 18 Summary of GFA as projected by the Petitioner (Rs,Lakhs)

Sl. No.	Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
1	Opening GFA	1175.13	1495.13	2773.13	4764.78	4875.43	4936.08	4996.73
2	Addition during the year	320.00	1,278	1,992	111	61	61	61
3	Closing GFA	1495.13	2773.13	4764.78	4875.43	4936.08	4996.73	5057.38

6.8 In view of the above the Petitioner has requested the Commission to approve the GFA for the control period FY 2025-26 to FY 2029-30.

Commissions Analysis

6.9 The Commission has taken note of the submissions made by the Petitioner. However, it also observes that the Petitioner has not maintained a Fixed Asset Register, and the asset values pertaining to previous years have not been subjected to audit. In the absence of an audited report, the Commission cannot proceed with the approval of the gross fixed asset.

6.10 However, the Petitioner is hereby directed to prepare a comprehensive Fixed Asset Register and have the same audited by a Statutory Auditor within a period of three months from the date of issuance of this Order. The audited GFA data has to be submitted along with the next petition for approval of the Commission.

Depreciation

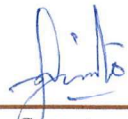
Petitioners Submission

6.11 The Petitioner has referred to clause 4.9 of the APERC (Multi Year Tariff) Regulations, 2024 for determination of depreciation for the control period FY 2025-26 to FY 2029-30. The relevant extract from the Regulation is referred below:

“4.9 Depreciation

Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Further, capital cost to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Transmission Licensee or SLDC or Distribution Licensee or Generating Company, as the case may be, shall not be considered for depreciation calculation.

The salvage value of the asset shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the capital cost of the asset.



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Provided that Generating Company or Transmission Licensee or SLDC or Distribution licensee shall submit certification from the Statutory Auditor for the capping of depreciation at ninety percent of the allowable capital cost of the asset in the true-up application;

Provided further that salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

In case of the existing projects, the balance depreciable value as on April 1, 2025, shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto March, 31, 2025, from the gross value of the assets.

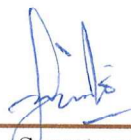
Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix- I of these Regulations.

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:

In case of projected commercial operation of the asset for part of the year, depreciation shall be calculated based on the average of opening and closing value of asset, approved by the Commission:

Provided that depreciation will be re-calculated during truing-up for assets capitalised at the time of Truing Up of each year of the Control Period, based on documentary evidence of asset capitalised by the applicant, subject to the prudence check of the Commission, such that the depreciation is calculated proportionately from the date of capitalisation.

6.12 The Petitioner has stated that the above Regulation provides that the capital cost to the extent funded by Consumer Contribution, Grants or Deposit Works, shall not be considered for depreciation calculation. It is submitted that the entire assets of APSLDC is being funded by Government of Arunachal Pradesh as a grant, accordingly, APSLDC has not claimed any depreciation for the control period.



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Commissions Analysis

6.13 The Commission referring to clause 4.9 of the APERC (Multi Year Tariff) Regulations, 2024 and the submission made by the Petitioner has not considered any depreciation for the control period FY 2025-26 to FY 2029-30.

Interest and Finance Charges

Petitioners Submission

6.14 The Petitioner has referred to clause 4.8 of the APERC (Multi Year Tariff) Regulations, 2024 for determination of interest and finance charges for the control period FY 2025-26 to FY 2029-30. The relevant extract from the Regulation is referred below:

“4.8 Interest and finance charges on loan capital

- (1) *The loans arrived at in the manner indicated in these Regulations shall be considered as Gross normative loan for calculation of interest on loan:
Provided that interest and finance charges on capital works in progress shall be excluded.
Provided further that in case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of the retired or replaced assets, based on documentary evidence*
- (2) *The normative loan outstanding as on April 1, 2025, shall be worked out by deducting the cumulative repayment as admitted by the Commission upto March 31, 2025, from the gross normative loan.*
- (3) *The repayment for the year during the control period shall be deemed to be equal to the depreciation allowed for that year.*
- (4) *Notwithstanding any moratorium period availed by the Generating Company or the Transmission Licensee, SLDC or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.*
- (5) *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or the SLDC or the Distribution Licensee:
Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:
Provided further that if the Generating Company, the Transmission Licensee, SLDC or the Distribution Licensee, as the case may be, does not avail any loan in past, then the one-year SBI MCLR (or any replacement thereof declared by SBI from time to time) plus 150 basis points shall be considered.*
- (6) *The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.*


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Provided that at the time of Truing-up, the normative average loan of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

Provided further that neither penal interest nor overdue interest shall be allowed for computation of tariff.

(7) The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Transmission Licensee or SLDC or Distribution Licensee or Generating Company, as the case may be.

(8) The Generating Company or the Transmission Licensee or the SLDC or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Company or the Transmission Licensee or the SLDC or the Distribution Licensee, as the case may be, in the ratio of 2:1.

Provided that the changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

Provided also that the re-financing shall not be subject to any adverse terms and conditions and additional cost:

Provided also that Generating Company or Transmission Licensee or Distribution Licensee or SLDC, as the case may be, shall submit documentary evidence of the costs associated with such re-financing


(9) Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and consumers at the Bank Rate as on 1st April of the financial year in which the Petition is filed.

(10) Further, at the time of Truing-up, the interest on the amount of security deposit for the year shall be considered on the basis of the actual interest paid by the Licensee during the year, subject to prudence check by the Commission.

6.15 The Petitioner has stated that the above Regulation provides that the interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by SLDC. It is submitted that the entire assets of APSLDC is being funded by Government of Arunachal Pradesh as a grant, accordingly, APSLDC has not claimed any interest and financial charges on loan for the control period. SLDC submits that it will claim interest and financial charges on loan in accordance with the above regulation in case loan is availed in future.

Commissions Analysis

6.16 The Commission referring to clause 4.8 of the APERC (Multi Year Tariff) Regulations, 2024 and the submission made by the Petitioner has not considered any interest on loan for the control period FY 2025-26 to FY 2029-30.


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Return on Equity

Petitioners Submission

6.17 The Petitioner has referred to clause 4.6 of the APERC (Multi Year Tariff) Regulations, 2024 for determination of return on equity for the control period FY 2025-26 to FY 2029-30. The relevant extract from the Regulation is referred below:

“4.6 Return on Equity

Return on equity shall be computed in rupee terms, on the equity capital determined in accordance with Regulation 4.2.

Maximum Return on Equity that shall be allowed for the assets put to use for the Generating Company and Retail Supply Business up to the rate of 15.50% per annum in Indian Rupee terms and for Transmission Licensee, SLDC and Distribution Wires Business, up to the rate of 15.00% per annum in Indian Rupee terms:

Provided that Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Additional Return on Equity linked to actual performance:

Provided that Additional Return on Equity linked to actual performance only applicable during true-up exercise:

Provided further that Additional Return on Equity shall be considered and trued-up for respective year based on actual performance substantiated by documentary evidence, after prudence check by the Commission.

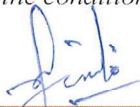
Provided further that the Commission may conduct a third-party verification of the performance parameters based on which the additional Return on Equity is being allowed during true-up exercise.

For embedded generating station of any distribution licensee, the computation of return on equity shall be similar to that of a generating company.

Assets funded by consumer contributions; capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

The rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system or distribution system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), meter (with AMR facilities), data telemetry and communication system up to concerned load dispatch centre or protection system.

Base Return on Equity of 14.00% per annum in Indian Rupee terms shall be allowed on the equity capital for the assets put to use Provided that in case Generating Company or Transmission Licensee or SLDC or Distribution Licensee claims Return on Equity at a rate lower than the normative rate specified above for any particular year, then such claim for lower Return on Equity shall be unconditional: Provided further that such claim for lower Return on Equity shall be allowed subject to the condition that the reduction in Return on Equity shall be



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foregone permanently for that year and shall not be allowed to be recouped at the time of Mid-Term Review or true-up as applicable

The Base Return on Equity shall be computed as:

(a) Return at the allowable base rate as per this Regulation, applied on the amount of equity capital at the commencement of the Year; plus

(b) Return at the allowable base rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost during the year, for the investments put to use in Generation Business or Transmission Business or Distribution Business or SLDC.

(8) In case of a thermal / hydro generating unit, and SLDC with effect from April 01, 2025, the additional rate of Return on Equity of maximum 1.5% and 1%, respectively, shall be allowed during true-up, if the Commissions observes that the directives given in previous tariff orders are followed in the true-up year.

(9) In case of a Transmission Licensee, with effect from April 01, 2025, the additional rate of Return on Equity shall be allowed during true-up @0.25%, for each reduction of Transmission Loss by 0.05% from last year level; subject to maximum additional rate of Return on Equity of 1%.

(10) In case of Distribution Licensee, with effect from April 01, 2025, an additional rate of Return on Equity of maximum 1.5% (for retail business) and 1% (for wire business) shall be allowed based on achievement of certain specified target performance parameters including consumer metering, feeder and sub-station metering, percentage of assessed bills over total bills, meeting RPO Trajectory targets, CGRF performance (efficacy in dispute resolution/complaint handling) or any other performance parameter, as assessed by the Commission during the true-up.

6.18 The Petitioner has stated that as per the Regulation mentioned above the Assets funded by consumer contributions; capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

6.19 The Petitioner has further submitted that the entire assets of APSLDC is being funded by Government of Arunachal Pradesh as a grant, accordingly, APSLDC has not claimed Return on Equity the control period.

Commissions Analysis

6.20 The Commission referring to clause 4.6 of the APERC (Multi Year Tariff) Regulations, 2024 and the submission made by the Petitioner has not considered any return on equity for the control period FY 2025-26 to FY 2029-30.

Operation and Maintenance Expense

Petitioners Submission

6.21 The Petitioner has referred to clause 4.10 of the APERC (Multi Year Tariff) Regulations,


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2024 for determination of O&M expenses for the control period FY 2025-26 to FY 2029-30. The relevant extract from the Regulation is referred below:

“4.10 Operation and Maintenance Expenses (O&M)

(1) The Operation and Maintenance expenses shall be computed in accordance with these Regulations.

(2) Operation and Maintenance (O&M) expenses shall comprise of the following:

(a) Employee (EMP) expenses -salaries, wages, pension contribution and other employee costs.

(b) Administrative and General (A&G) expenses including insurance charges if any; and: (c) Repairs and Maintenance (R&M) expenses.

(3) O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) + Terminal Liabilities;$$

(4) Employee Cost

Employee cost shall be computed on employee expenses for previous year escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and suitable Growth Factor adjusted by provisions for expenses beyond the control of the Licensee such as recovery/adjustment of terminal benefits, implications of Pay Commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_{n-1}) \times (1 + EF) + Growth Factor(G) + Provisions$$

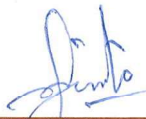
Where,

EMP_n – Employee expenses of the Licensee for the nth Year (n can be 1, 2,3,4 or 5);

EMP_{n-1} – Average Employee expenses for past three years excluding any type of one-time payment, if n=1 (first year of control period); Employee expenses for (n-1)th year, otherwise.

EF– is the escalation factor determined based on WPI and CPI growth rate as described above;

Growth Factor (G) - shall be Year-on-Year/CAGR/any escalation factor considered by the licensee for projecting the employee expenses considering future recruitment/retirement plans or requirement of additional manpower;



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Provision: Provision for expenses beyond control of the Licensee and expected one-time expenses as specified above.

(5) Repairs and Maintenance (R&M) Expense

Repairs and Maintenance expense shall be calculated on the basis of gross fixed asset (GFA) and K factor escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau,

Government of India as per the following formula:

$$R\&M_n = (K \times GFA_{n-1}) \times (1 + EF)$$

Where,

R&M_n – Repair and Maintenance expenses of the Licensee for the nth Year;

GFA_{n-1} – Gross Fixed Asset of the licensee for the n-1th year;

'K' is a constant specified by the Commission in percentage terms. Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, repair and maintenance expenses, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-a vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

EF- is the escalation factor determined based on WPI and CPI growth rate as described above;

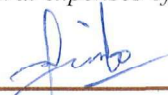
(6) Administrative and General Expense

A & G expense shall be computed on actual A&G expenses of previous years escalated by appropriate escalation factor which would be determined by considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and adjusted by provisions for confirmed initiatives (IT initiatives as proposed by the Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_{n-1}) \times (1 + EF) + Provision$$

Where,

A&G_n– Administrative and General expenses of the Licensee for the nth Year;


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A&Gn- 1- Average Administrative and General expenses for past three years, if n=1; Administrative and General expenses for (n-1)th year, otherwise.

EF- is the escalation factor determined based on WPI and CPI growth rate as described above;

Provision: Cost for initiatives or other one-time expenses as proposed by the Licensee and validated by the Commission

(7) Terminal liabilities

Terminal liabilities of employees of the Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check. However, if the terminal benefits are considered under employee expenses, no separate provision for terminal benefit is allowed.

(8) For the purpose of estimation during the MYT Petition, the same value of factors –

CPI inflation and WPI inflation shall be used for all Years of the Control Period. The values shall be revised appropriately while determining the O&M expenses for determination of revised ARR for remaining four years of the control period. However, the Commission shall consider the actual values of the factors - CPI_inflation and WPI_inflation during the true up exercise for the relevant year for which true up is being carried out and shall true up the O&M Expenses for that year, only to the extent of inflation.”

6.22 The Petitioner in accordance with the above provision of the Regulation has computed the escalation factor considering 20% weightage to the average yearly inflation derived based on the monthly wholesale price index (WPI) of the respective past three financial years as per the office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for industrial workers of the respective past three financial years as per the Labour Bureau, Government of India and has determined the escalation factor as given in the table below:

Table 19 Escalation factor determined by the Petitioner

Particulars	Weightage	Weightage (%)
WPI	0.2	1.49%
CPI	0.8	4.36%
Escalation Factor (EF)		5.86%

R&M Expense

6.23 In accordance with the above provision of the Regulation the Petitioner has computed the “K” factor based on the opening GFA for the FY 2023-24 and actual R&M expenses for the year. The calculation of the “K” factor is provided below:

Table 20 Computation of K factor by the Petitioner

Sl.No.	Particulars	FY 2023-24
1	GFA (Lakhs)	1175.13


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2	Actual R&M Expenses (lakhs)	59.18
3	K Factor	0.05

6.24 The Petitioner has submitted that the R&M expenses for each year of the control period has been calculated considering projected opening GFA & 'K' factor & the escalation factor (EF) as calculated above. The details of normative R&M calculated based on the above methodology is provided below.

Table 21 R&M expense as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs Lakhs)

Sl. No.	Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
1	Opening GFA	2773.13	4764.78	4875.43	4936.08	4996.73
2	K factor	0.05	0.05	0.05	0.05	0.05
3	Escalation Factor (EF)	5.86%	5.86%	5.86%	5.86%	5.86%
4	R&M Expenses	147.83	254.00	259.90	263.13	266.37

Employee Expense

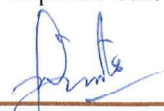
6.25 The Petitioner in accordance with the provisions for employee expense as outlined in the above Regulations has referred actual employee cost incurred for the FY 2023-24, considering as the base & then escalated the same considering the escalation factor (EF) & Growth Factor (G) year over year to determine the employee cost for each year of the control period FY 2025-26 to FY 2029-30. The details of normative employee cost calculated based on the above methodology is provided in the table below:

Table 22 Employee Expense as projected by the Petitioner for FY 2025-26 to FY 2029-30 (Rs Lakhs)

Sl. No.	Particulars	Actual	Projected					
		FY24	FY25	FY26	FY27	FY28	FY29	FY30
1	Base Employee Cost	253.24	253.24	268.08	283.78	300.41	318.01	336.64
2	Escalation Factor (EF)	0.00%	5.86%	5.86%	5.86%	5.86%	5.86%	5.86%
3	Growth Factor (G)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Employee Cost	253.24	268.08	283.78	300.41	318.01	336.64	356.36

A&G Expense

6.26 The Petitioner in accordance with the provisions for A&G as outlined in the above Regulations has referred actual A&G cost incurred for the FY 2023-24, considering as the base & then escalated the same considering the escalation factor (EF) year over year to determine the A&G expense for each year of the control period FY 2025-26 to FY 2029-30. The details of normative A&G expense calculated based on the above methodology is


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provided in the table below:

Table 23 A&G Expense as projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs Lakhs)

Sl. No.	Particulars	Actual	Projected					
		FY24	FY25	FY26	FY27	FY28	FY29	FY30
1	Base A&G Expenses	23.37	26.30	27.84	29.47	31.20	33.03	34.96
2	Escalation Factor (EF)		5.86%	5.86%	5.86%	5.86%	5.86%	5.86%
3	A&G Expenses	23.37	27.84	29.47	31.20	33.03	34.96	37.01

6.27 The Summary of O&M Expenses as projected by the Petitioner for FY 2025-26 to FY 2029-30 is given in the table below:

Table 24 Summary of O&M expenses projected by the Petitioner for FY 2025-26 to FY 2029-30(Rs Lakhs)

Sl. No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee Expenses	283.78	300.41	318.01	336.64	356.36
2	R&M Expenses	147.83	254.00	259.90	263.13	266.37
3	A&G Expenses	29.47	31.20	33.03	34.96	37.01
4	Total	461.08	585.61	610.93	634.73	659.73

Commissions Analysis

6.28 The Commission has referred to clause 4.10 of the APERC (Multi Year Tariff) Regulations, 2024 and the submission made by the Petitioner for computation of O&M expense.

6.29 Upon scrutiny of the additional documents submitted by the Petitioner vide Letter No. SE/SO&PSC/W-67/2024-25/214-219 dated 04.06.2025, Itanagar, the Commission has observed discrepancies between the data furnished along with the original petition and the data provided in the subsequent submission. The Commission has taken into consideration the data submitted subsequently, as the same includes the approval of expenses by the Government of Arunachal Pradesh. The Commission expresses serious concern over the lackadaisical approach adopted by the Petitioner in furnishing incorrect data at the time of filing the petition and hereby directs the Petitioner to ensure submission of accurate and authentic data in all future filings before the Commission.

6.30 The Commission has referred to below correspondences during additional submission for approval of O&M expenses:

- a) **O&M Expense for FY 2023-24:** Allotment of fund allotment under MH-2801-POWER for the year 2023-24 reference No. CE(P)/TP&M/A-Sub-Allot/2023-



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24/15-16 dated Ita. The 21st Feb 2024 & Allotment of fund allotment under MH-2801-POWER for the year 2023-24 reference No. CE(P)/TP&M/A-Sub-Allot/2023-2437-39 Dtd Ita.the 7th March 2024 & Maintenance of Asset as given in Page 21.

- b) **O&M Expense for FY 2024-25:** Allotment of fund allotment under MH-2801-POWER for the year 2024-25 reference No. CE(P)/TP&M/A-Sub-Allot/2024-25/5956-58 Dtd Ita the 19th march 2025 & CE(P)/TP&M/A-Sub-Allot/2024-25/5950-52 Dtd Ita the 19th march 2025 & Maintenance of Asset as given in Page 23.

6.31 Accordingly, the Commission has considered the values for FY 2024-25, as indicated in the aforementioned letter, to be the base year figures, and has applied the requisite escalation factors to derive the values for the respective years of the control period. The escalation as computed by the Commission as per the relevant provision of the Regulation has been determined as 5.81%. The base value considered by the Commission for Employee expense, A&G expense and R&M expense is given in the table below:

Table 25 Base value considered by the Commission for the FY 2024-25 (in lakhs)

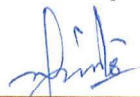
S.No	Particulars	Amount	Reference
1	Employee Expense	341.1	Allotment of fund allotment under MH-2801-POWER for the year 2024-25 reference No. CE(P)/TP&M/A-Sub-Allot/2024-25/5956-58 Dtd Ita the 19 th March 2025 & CE(P)/TP&M/A-Sub-Allot/2024-25/5950-52 Dtd Ita the 19 th march 2025 & Maintenance of Asset as given in Page 23.
2	A&G Expense	55.33	
3	R&M Expense	158.97	

6.32 The detailed analysis, as approved by the Commission, is provided hereunder:

R&M Expense

6.33 As per the provision of the Regulation the Commission has to determine the 'K' factor based upon the average of the previous year audited data of GFA and R&M expenses. In this particular instant as the gross fixed asset of the Petitioner and the R&M expense as submitted in the initial petition has not been audited hence the Commission cannot ascertain the authenticity of the data submitted to determine K factor. Hence the Commission at this instant has not considered K factor for the period. However once the figures are audited the Commission shall consider accordingly.

6.34 For the purpose of computing the R&M expenses for the control period, the Commission



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has adopted the R&M expenses considered in para 6.30 and applied only the applicable escalation factor to arrive at the projected R&M expenses for the control period. The same shall, however, be subject to verification and adjustment, if required, during the truing-up process.

6.35 The R&M expenses as approved by the Commission for the control period are indicated below:

Table 26 R&M expense as approved by the Commission for FY 2025-26 to FY 2029-30(Rs Lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	R&M Expense	168.21	177.99	188.33	199.28	210.87

Employee Expense

6.36 The Commission has considered the base value of Employee Expenses as indicated in para 6.30 and has applied the applicable escalation factor to determine the Employee Expenses for the respective years of the control period. As the Petitioner has not proposed any growth in the number of employees, the Commission has also not factored in any employee growth rate while computing the Employee Expenses. Accordingly, applying an escalation rate of 5.81%, the Commission hereby approves the Employee Expenses for the control period from FY 2025-26 to FY 2029-30, as detailed in the table below:

Table 27 Employee Expense as approved by the Commission for FY 2025-26 to FY 2029-30(in Rs Lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee Cost	360.93	381.91	404.11	427.61	452.47

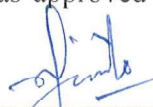
A&G Expense

6.37 The Commission has considered the base value of A&G Expenses as indicated in para 6.30 and has applied the applicable escalation factor to determine the Employee Expenses for the respective years of the control period. The Commission hereby approves the A&G Expenses for the control period from FY 2025-26 to FY 2029-30, as detailed in the table below:

Table 28 A&G Expense as approved by the Commission for FY 2025-26 to FY 2029-30(in Lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	A&G Expense	58.76	62.17	65.79	69.61	73.66

6.38 The Summary of O&M Expense as approved by the Commission is given in the table



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below:

Table 29 O&M expense as approved by the Commission for FY 2025-26 to FY 2029-30(in Lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee Expenses	360.93	381.91	404.11	427.61	452.47
2	R&M Expenses	168.21	177.99	188.33	199.28	210.87
3	A&G Expenses	58.76	62.17	65.79	69.61	73.66
4	Total	587.90	622.08	658.24	696.51	737.00

6.39 The Commission has approved the O&M expenses for the period from FY 2025-26 to FY 2029-30; however same shall be subject to review and adjustment, if necessary, during the truing-up process, based on audited data. Furthermore, the Petitioner is hereby directed to submit detailed breakup of the various expenditures incurred under Employee Expenses, R&M Expenses, and A&G Expenses in all future petitions as per forms mentioned in APSSERC(MYT) Regulations,2024.

Interest on Working Capital

Petitioners Submission

6.40 The Petitioner has referred to clause 4. (11). (3) of the APSSERC (Multi Year Tariff) Regulations, 2024 for determination of Interest on Working Capital for the control period FY 2025-26 to FY 2029-30. The relevant extract from the Regulation is referred below:

“ 4.11. Interest on Working Capital:

(3) SLDC

The working capital requirement of the SLDC shall cover:

- (i) Operation and maintenance expenses for one month;*
- (ii) One and a half months equivalent of the expected revenue from levy of Annual Fixed Charges approved by the Commission for ensuing year(s):*

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;

Rate of interest on working capital shall be on normative basis and shall be equal to the SBI MCLR of one-year period as on the date on which the Petition for determination of Fees and Charges is filed, plus 250 basis points.”



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Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR of one-year period prevailing during the concerned Year plus 250 basis points.

6.41 The Petitioner has submitted that it has calculated the working capital requirement in accordance with the above Regulation. Further, the latest available SBI MCLR of 9% as on 15.01.2025 has been considered and Rate of interest on working capital of 11.50% has been calculated by adding 250 basis points to the SBI MCLR in accordance with the above Regulation. In view of the above, Interest on working capital for FY 2025-26 to FY 2029-30 is shown below: -

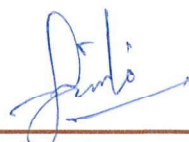
Table 30 Interest on Working Capital as projected by the Petitioner for FY26 to FY30(in Lakhs)

SNo.	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M Expenses of one month	38.42	48.80	50.91	52.89	54.98
2	Receivables equivalent to 45 days	58.13	73.85	77.01	79.99	83.12
3	Total Working Capital	96.55	122.65	127.92	132.88	138.10
4	Rate of Interest on Working Capital (%)	11.50%	11.50%	11.50%	11.50%	11.50%
5	Interest on Working Capital	11.10	14.10	14.71	15.28	15.88

Commission's Approval

6.42 **Interest on Working Capital (IoWC)** represents the cost incurred towards borrowing short-term funds for meeting day-to-day operational expenses, particularly in cases where there is a delay in revenue collection or billing cycles. It constitutes the interest payable on the working capital requirement financed through loans or credit. However, in the present case, the Commission observes that the entire working capital requirement of the State Load Despatch Centre (SLDC) is being met through grants provided by the Government of Arunachal Pradesh. Consequently, there is no interest liability on the SLDC in this regard.

6.43 In light of the above, the Commission is of the view that the provision for Interest on Working Capital is not applicable to the SLDC. Accordingly, no amount towards Interest on Working Capital has been approved for SLDC for the Control Period from FY 2025-26 to FY 2029-30.



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Non-Tariff Income

Petitioners Submission

6.44 The Petitioner has projected Non-Tariff Income for the period FY 2025-26 to FY 2029-30 as given in the table below:

Table 31 Non-Tariff Income projected by the Petitioner for FY 2025-26 to FY 2029-30(in lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Application Fee/ Registration fee	0.5	0.5	0.6	0.7	0.8
2	Scheduling Charges	0.2	0.2	0.4	0.5	0.6
3	Total Non-Tariff Income	0.70	0.70	1.00	1.20	1.40

Commission's Analysis

6.45 The Commission has considered the submission made by the Petitioner for projection of Non –Tariff Income for the period FY 2025-26 to FY 2029-30 however same shall be reviewed during true up exercise. The Non-Tariff Income as approved by the Commission for FY 2024-26 to FY 2029-30 is given in the table below:

Table 32 Non-Tariff Income as approved by the Commission for FY26 to FY30(in Lakhs)

Sl.No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Application Fee/ Registration fee	0.5	0.5	0.6	0.7	0.8
2	Scheduling Charges	0.2	0.2	0.4	0.5	0.6
3	Total Non-Tariff Income	0.70	0.70	1.00	1.20	1.40

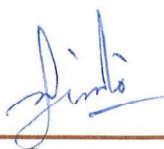
ARR for FY 2025-26 to FY 2029-30

Petitioners Submission

6.46 The summary of ARR as projected by the Petitioner for FY 2025-26 to FY 2029-30 is given in the table below:

Table 33 Summary of ARR as projected by the Petitioner for FY 2025-26 to FY 2029-30(in Lakhs)

Sl.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	Employee cost	283.78	300.41	318.01	336.64	356.36
2	R&M expenses	147.83	254.00	259.90	263.13	266.37
3	A&G expenses	29.47	31.20	33.03	34.96	37.01
4	Depreciation	0.00	0.00	0.00	0.00	0.00
5	Interest on Loan Capital	0.00	0.00	0.00	0.00	0.00
6	Interest on Working Capital	11.10	14.10	14.71	15.28	15.88
7	Return on Equity	0.00	0.00	0.00	0.00	0.00
8	Total ARR	472.19	599.71	625.64	650.01	675.61
9	Less: Non-Tariff Income	0.70	0.70	1.00	1.20	1.40
10	Net ARR	471.49	599.01	624.64	648.81	674.21



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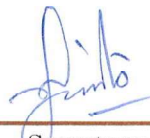
Commission's Analysis

6.47 The Commission based on the approval as highlighted in the above section of this order approves the ARR for FY 2025-26 to FY 2029-30 as given in the table below:

Table 34 ARR approved by the Commission for FY 2025-26 to FY 2029-30(in Lakhs)

Sl.No	Particulars	FY26	FY27	FY28	FY29	FY30
1	O&M Expense	587.90	622.08	658.24	696.51	737.00
2	Depreciation	0.00	0.00	0.00	0.00	0.00
3	Interest on Loan Capital	0.00	0.00	0.00	0.00	0.00
4	Return on Equity	0.00	0.00	0.00	0.00	0.00
5	Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
6	Total ARR	587.90	622.08	658.24	696.51	737.00
7	Less: Non-Tariff Income	0.70	0.70	1.00	1.20	1.40
8	Net ARR	587.20	621.38	657.24	695.31	735.60





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Chapter 7 Determination of SLDC charges for FY 2025-26

Petitioners Submission

7.1 The Petitioner has considered the existing contracted capacity of FY 2024-25 for determination of SLDC charges. The details of contracted capacity are given in the table below:

Table 35 Contracted capacity as on FY 2024-25 submitted by the Petitioner

Sub-Head I		HYDRO BASED		
Source of Power (Station wise)		Installed Capacity (MW)	APDoP share % (As on March'24)	APDoP share (MW)
LOKTAK	NHPC	105	4.94	5.19
KOPILI-I	NEEPCO	200	5.19	10.4
KOPILI-II	NEEPCO	25	5.99	1.5
KHANDONG	NEEPCO	50	4.19	2.1
Panyor HEP	NEEPCO	405	6.46	26.2
Free Energy Panyor HEP	NEEPCO		12	48.6
DOYANG	NEEPCO	75	5.69	4.3
Pare IIEP	NEEPCO	110	5.87	6.5
Free Energy Pare HEP	NEEPCO		13	14.3
Kameng HEP	NEEPCO	600	1.83	11.0
Free Energy Kameng HEP	NEEPCO		12	72
Subansiri	NHPC	20000		
Subansiri Free Power	NHPC		12	
Kangteng	IPP	7.5	7.5	7.5
Dikshi	Devi Energy	24		24
Sub-Total (A)				233.43
Sub-Head II		THERMAL BASED		
Source of Power (Station wise)		Installed Capacity (MW)	APDoP share % (As on March'22)	APDoP share (MW)
AGBPP	NEEPCO	291	5.69	16.6
AGTCCPP	NEEPCO	135	6.7	9.0
PALATANA	OTPCL	726	3.03	22.0
BgTPP	NTPC	750	4.94	37.05
FARAKKA	NTPC	1600	0.19	3.0
KAHALGAON	NTPC	840	0.19	1.60
TALCHAR	NTPC	1000	0.19	1.90
Sub-Total (B)				91.2
Grand Total (A)+ (B)				324.61

7.2 Based on the above contracted capacity and ARR projected the Petitioner has submitted the SLDC charges for the FY 2025-26 as given in the table below:

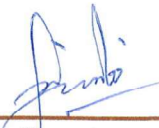

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Table 36 Monthly SLDC operating Charge as submitted by the Petitioner for FY 2025-26(Rs Lakhs)

Sl.No.	Particulars	FY 2025-26
1	Annual SLDC Operating Charges for FY2025-26	471.49
2	Monthly SLDC Operating Charge for FY 2025-26	39.29

Table 37 LDC charges as submitted by the Petitioner (Rs Lakhs)

Sl. No.	Particulars	Unit	FY 2025-26
1	Recovery of Operating Charges	Rs. Lakhs	471.49
2	Contracted Capacity	MW	324.61
3	LDC Charges	Rs. /MW/Month	12104

7.3 The Petitioner has requested the Commission to approve the SLDC charge as proposed for FY 2025-26.

Commissions Analysis

7.4 The Commission has referred to clause 8.6 of the APERC (Multi Year Tariff) Regulations,2024 for computing SLDC charges, the relevant extract is given below:

“8.6. Billing and Collection of SLDC Charges

(1) The SLDC shall furnish necessary monthly bills to the users of intra State Transmission System, the Generating Companies, Licensees and MTOA beneficiaries for each billing month within seven days after the last day of the preceding month, on the basis of the following formula:

$$\text{SLDC Charges payable for a month} = (SC/12) * (ACi/SACi)$$

where, SC = Approved SLDC Aggregate Revenue Requirement for the year;

ACi = Actual installed capacity in case of generating stations/long term and medium-term contracted capacities in case of sellers/aggregated allocated capacity and contracted capacity in case of distribution licensee/long term contracted capacity in case of buyer for the month 'i';

SACi = Sum of Actual installed capacity in case of generating stations, long term and medium-term contracted capacities in case of sellers, aggregated allocated capacity and contracted capacity in case of distribution licensee and long-term contracted capacity in case of buyer for the month 'i'.”

7.5 During the scrutiny of the tariff petition, along with the documents and information submitted by the Petitioner, the Commission observed that the primary user of the intra-state transmission system is the Department of Power, Government of Arunachal Pradesh (the deemed distribution licensee of the state), along with a few open access consumers,


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primarily industrial users (as detailed by SLDC). Details of which is given in the table below:

Table 38 Intra State Transmission Network users as submitted by the Petitioner

S.No	Name	Particulars
1	Department of Power, Government of Arunachal Pradesh	Deemed Distribution Licensee of Arunachal Pradesh
2	SMS Smelters Ltd	Industrial Consumer availing open access as and when required
3	Satyam Steels & Alloys	Industrial Consumer availing open access as and when required
4	Satyam ISPAT(North East Limited)	Industrial Consumer availing open access as and when required
5	Satyaratan Steel Private Limited	Industrial Consumer availing open access as and when required
6	Salasar Industries Private Limited	Industrial Consumer availing open access as and when required
7	Platinum Alloys Private Limited	Industrial Consumer availing open access as and when required
8	Smelters Limited	Industrial Consumer availing open access as and when required

7.6 The Commission further noted that currently, the SLDC does not perform scheduling for any generating plants within the state of Arunachal Pradesh, a fact that was confirmed during the technical validation process.

7.7 Referring to the provisions of the Regulation cited in para 7.4, the Commission directs the Petitioner to recover SLDC charges of Rs.587.20 Lakhs approved for FY 2025-26 pro rata on monthly basis from the intra state system users and raise bills on monthly basis accordingly.

Table 39 ARR approved for SLDC for FY 2025-26(Rs Lakhs)

S.No	Particulars	Approved for FY 2025-26
1	Annual SLDC operating charges for FY 2025-26	587.20
2	Monthly SLDC operating charges for FY 2025-26	48.93


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Chapter 8: Directives

Timeliness and Data Adequacy in the Next Tariff Petition

8.1 The Commission directs the Petitioner to submit the next tariff petition after addressing the deficiencies identified in this Order. The Petitioner must ensure that all data provided is accurate and duly certified. Furthermore, the Commission instructs the Petitioner to file the upcoming tariff petition within the timeline prescribed under the APERC (Multi Year Tariff) Regulations, 2024, and to ensure the authenticity and correctness of the submitted data. Non-compliance with these directions may attract appropriate action under the provisions of the Electricity Act, 2003.

Statutory Audit

8.2 In the interest of ensuring financial transparency, accountability, and compliance with regulatory standards, the Petitioner is directed to ensure that the accounts of SLDC are audited by a qualified Statutory Auditor in accordance with applicable accounting and audit standards. The audit must be completed prior to the submission of the next tariff petition.

Fixed Asset Register

8.3 The Petitioner is directed to create and maintain a comprehensive Fixed Asset Register (FAR) in accordance with applicable regulations and accounting practices. A copy of the FAR, duly certified by the Statutory Auditor, must be submitted along with the next tariff petition. The Petitioner must ensure that the audited values of fixed assets is being submitted in the next tariff petition.

Detailed break up of O&M expense

8.4 The Petitioner is hereby directed to ensure that detailed break up of O&M expenses is being provided in the next tariff petition as mentioned in form 2.1 of the APERC (Multi Year Tariff) Regulations 2024.

Roadmap for upgradation

8.5 The Petitioner is directed to furnish a roadmap for the enhancement of the State Load Dispatch Centre (SLDC), encompassing technological advancements, capacity building of employees, and recruitment of skilled manpower. This blueprint should outline detailed plans and strategies for each aspect including timelines enhancing the SLDC's capabilities to efficiently manage the state's power system network. Periodic (Quarterly)report on the



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progress must be submitted to the Commission.

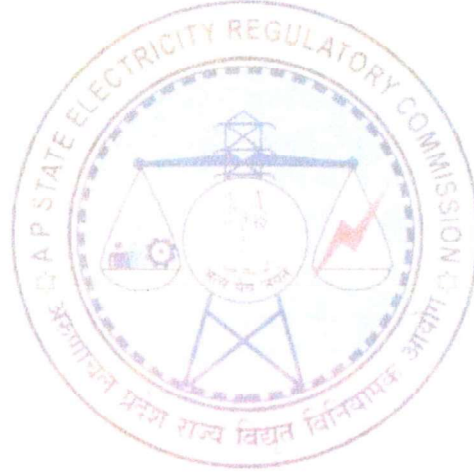
8.6 The Petitioner is further directed to furnish to the Commission copies of the bills on monthly basis raised against the various intra state system users.

8.7 The Petition TP-03 of 2025 is being disposed of with the aforesaid directions.

8.8 This order shall be effective from 01/04/2025 and shall remain in force till the next tariff order is being issued by the Commission.

Date: 11.07.2025

Place: Itanagar



Sd/-

Shri Nich Rika

Member(Law)

Sd/-

Shri R.K. Joshi

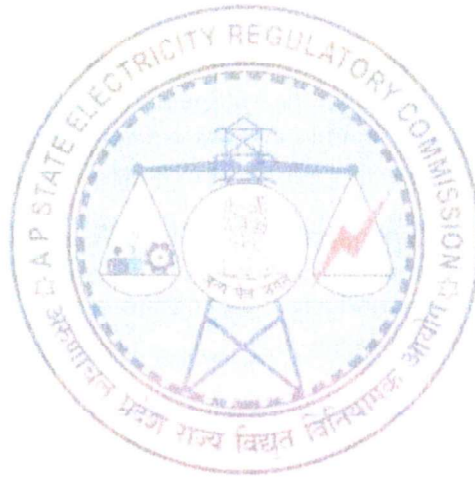
(Chairperson)

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Annexure-1

Table 40 List of Participants during public hearing

S.No	Name	Designation
1	Er.Ojing Jerang	SLDC,Dept of Power
2	Er.Dani Byai	SLDC,Dept of Power
3	Mr.Sayank Mondal	Consultant ,SLDC




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Annexure II: Minutes of the Technical Validation session held on 18.06.2025.

A technical validation session was held by the Commission on the petition filed by SLDC, GoAP for Approval of Business Plan and ARR for the MYT control period FY 2025-26 to FY 2029-30 and charges for FY 2025-26 by SLDC. The session was attended by officials of APDOP, officials of SLDC, GoAP in the conference hall of the Commission. The minutes of the meeting on the issues highlighted along with list of attendees is given as below:

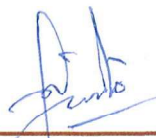
- i. **Irregularity in data submission:** A discrepancy was observed between the data submitted in the original petition and that furnished subsequently through additional documents with respect to O&M expenses. The Commission took serious note of the matter, particularly as the Petitioner had submitted the initial data under affidavit, which was later found to be inaccurate. In response, Mr. Nido Taka, Superintending Engineer, SLDC, clarified that certain data had been inadvertently omitted during the filing of the original petition and requested the Commission to treat the data provided in the additional documents as the correct version. The Commission duly noted the clarification and proceeded to deliberate on specific issues related to O&M expenses, as outlined below:
 - i. **Increase in Employee expense:** Upon being queried, Mr. Nido Taka, Superintending Engineer, SLDC, clarified that the data submitted earlier did not include details of contractual employees, which have been incorporated in the additional documents. He accordingly requested the Commission to consider the revised data as accurate.
 - ii. **A&G expense:** Further, in response to the query regarding the inclusion of the 'Repair and Maintenance' (R&M) head under Administrative and General (A&G) expenses, Mr. Nido Taka clarified that the said expenditure pertains specifically to the maintenance of departmental vehicles. He explained that while the nomenclature of the expense head is categorized as R&M—assigned by the Finance Department—it is being utilized to vehicle maintenance costs.
 - iii. **R&M expense:** The Commission further raised a query regarding the 'Repair and Maintenance' (R&M) head under Code 0050 (Maintenance of Assets), which, at first glance, appeared to relate to R&M works undertaken by SLDC on substations and transmission lines. In response, Mr. Nido Taka, clarified that the expenditure in question pertains to SCADA-related expenses for system monitoring, carried out under an Annual Maintenance Contract with GE. The payments under this head are made to GE towards the AMC charges. The Commission took note of the clarification and directed SLDC to submit a copy of the AMC for its records.



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2. **Discrepancy in contracted capacity being submitted by SLDC and APDOP:** Mr. Nido Taka acknowledged that an error had occurred on the part of the Petitioner in indicating the contracted capacity for Doyang and BgTPP, and requested the Commission to consider the contracted capacities as submitted by APDOP. The Commission duly noted the submission. Further, the Commission enquired whether there are any Open Access (OA) consumers within the state. In response, Mr. Dani Byai, confirmed that certain industrial consumers avail short-term open access as per their requirements, and such access is facilitated by SLDC. The Commission took note of the same and directed SLDC to submit the details of such consumers along with their respective contracted capacities.
3. **State Transmission Loss:** The Commission enquired whether SLDC maintains any records pertaining to state transmission losses. In response, Mr. Dani Byai, stated that no such data is currently available. Mr. Duyo Tacho, Chief Engineer (Commercial), further clarified that there is presently no mechanism in place to account for state transmission losses. However, he informed the Commission that the matter is being addressed under the implementation of the RDSS, wherein feeder-level metering is being undertaken. Upon completion of this initiative, monitoring of state transmission losses will become feasible.
4. **Non-Tariff Income:** The Commission observed that SLDC had projected an amount of ₹0.2 Lakh per annum as scheduling charges for each year of the five-year control period to which Mr. Sayank Mandal clarified that the inclusion of this charge was inadvertent and requested the Commission to disregard the same.
5. **Application Fee and Registration Charge:** Mr. Dani Byai stated that currently no application or registration fees are being charged by SLDC. In response, the Commission emphasized that SLDC is required to levy application and registration fees from users of the state transmission network in accordance with the APERC (Terms & Conditions for Intra-State Open Access) Regulations, 2012. Mr. Byai acknowledged the same and assured that SLDC shall comply with the said provisions in all future instances.
6. **Scheduling of state genco along with NEEPCO Line:** The Commission enquired whether SLDC undertakes scheduling for state generating stations. In response, Mr. Dani Byai, stated that SLDC does not carry out scheduling for state-owned generating stations such as Devi Energies and Khantang, as the power generated by these plants is consumed locally in proximity to the generation site. Mr. Duyo Tacho, Chief Engineer (Commercial), further clarified that SLDC does not account for scheduling of plants connected below 132 kV. The quantum of power generated by such plants is deducted from the requisition schedule that is submitted to NERLDC, Shillong. He further explained that allocation of power from Inter-

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State Generating Stations (ISGS) is done by the Ministry of Power (MoP), and the same is allocated to the State of Arunachal Pradesh. Based on historical trends and available forecasting tools, SLDC, Government of Arunachal Pradesh, submits the power requisition to NERLDC. NERLDC, in turn, schedules the allocation to the state based on ISGS availability.

With regard to the transmission of power through the NEEPCO line—which was initially considered an asset of the State Transmission Utility (STU), thereby warranting charges by SLDC—Mr. Nido Taka clarified that the said line was utilized by NEEPCO during the construction phase of the Kameng Hydro Project. However, NEEPCO has since developed its own 400 kV transmission line, and currently, the entire power generated by NEEPCO is transmitted through its own dedicated network.

7. **Gross Fixed Asset:** The Commission observed that SLDC had projected recurring expenses under the heads of computers and buildings over the entire control period. In response, Mr. Sayank Mandal, clarified that these are indicative projections and may be reviewed and assessed at the time of the true-up petition. Additionally, Mr. Dani Byai, informed the Commission that a backup SLDC is currently under construction at Pasighat, which is intended to function as a contingency facility for the existing SLDC located at Chimpu.

The Hon'ble Chairman of the Commission, in his closing remarks, emphasized the critical role of a functional and robust State Load Despatch Centre (SLDC) in enhancing the overall efficiency of transaction of electricity in the State of Arunachal Pradesh. He expressed interest in gaining a deeper understanding of the day-to-day operations of SLDC and accordingly requested the SLDC to arrange a suitable schedule to brief the Commission on its daily activities at the SLDC premises. It was advised that the proposed schedule be communicated to the Commission at least one week in advance to facilitate necessary planning.

The session concluded with a vote of thanks from and to the Chair.



List of attendees

1. Shri R.K. Joshi, Chairperson APSERC.
2. Shri Nich Rika, Member (Law), APSERC.
3. Shri.Duyo Tacho, CE(P), Commercial, APDoP.
4. Shri Nido Taka, SE(E)SO&PSC.
5. Shri Rajesh Sharma, JE(Com) APDoP.
6. Shri Ojing Jerang, EE(E), SLDC.
7. Shri Dani Byai, JE (E) SLDC.
8. Shri Dibyanu Sengupta, DD(EM), APSERC.
9. Shri Rahul Kumar, Consultant, APSERC.
10. Shri Sayank Mandal, Consultant, SLDC.


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