



ASSAM ELECTRICITY REGULATORY COMMISSION

FILE NO. AERC.827/2022/19

Petition No.: 06 /2022

ORDER SHEET

**CORAM: KUMAR SANJAY KRISHNA, HON'BLE CHAIRPERSON
SHRI SATYENDRA NATH KALITA, HON'BLE MEMBER (TECHNICAL)**

In the matter of

Miscellaneous Application to direct APDCL to transfer at least 20% of the additional Return on Equity (RoE) allowed on account of conversion of Grant & Debt to Equity towards Pension Trust for the next control period FY 2022-23 to FY 2024-25.

In the matter of

APDCL MYT Order dated 21st March, 2022

AND

In the matter of

ASEB Employees Pension Fund Investment Trust (ASEB Pension Trust)Petitioner

AND

Assam Power Distribution Company Limited
Bijulee Bhawan, Paltan Bazar,
Guwahati - 781 001.

.....Respondent

ORDER

Dated 28.06.2022

1. The ASEB Employees Pension Fund Investment Trust (ASEB Pension Fund) submitted a miscellaneous application to direct APDCL to transfer the additional RoE allowed on account of conversion of grant & debt to equity towards ASEB Pension trust for the Control Period of FY 2022-23 to FY 2024-25.
2. In their application, ASEB Pension Fund referred to the Minutes of the PIB Meeting dated 15.09.2018, held for consideration of a proposal of the Power Department, GoA for enhancement of Authorised Share Capital of APDCL from Rs 250 Cr to Rs 5000 Cr wherein the PIB suggested that - "*.....at least 20% of the additional revenue earning that may accrue as a result of debt and grants restructuring may be deposited to the Pension Fund of the Company*".
3. The ASEB Pension also quoted the extracts of APDCL Tariff Orders dated 15.03.2021 and dated 21.03.2022, wherein the APRs for FY 2020-21 and FY 2021-22 mentioned that - "The additional RoE allowed in this Order on account of conversion of grant to equity may be considered for transfer to the Pension Fund. In this regard, the minutes of the meeting of PIB, circulated vide letter No. P.E77/2015/234 dated 25th September, 2018 may be referred."

4. Now, based on the above references, ASEB Pension Fund has requested the Commission to direct APDCL to transfer the additional RoE allowed on account of conversion of grant & debt to equity towards ASEB Pension trust for the Control Period of FY 2022-23 to FY 2024-25.
5. The Commission perused the submissions of ASEB Pension Fund and made the following observations:
 - i. The conversion of Grants to Equity by the GoA in FY 2021- 22, has already been considered in APR for the year in accordance with the Commission's MYT Regulations, 2018. Considering maximum 30% equity funding, the Commission considered additional equity of Rs. 1203.73 Crore in the APR for FY 2021-22 for tariff computation purposes, on account of conversion of Grants to Equity. Extending the same rationale, and considering that the GoA has converted Rs. 3359.32 Crore of grants to equity, the Commission computed the maximum permissible additional equity for each Year of the Control Period.
 - ii. The Commission also raised the BST for Pension Fund from 15 paise to 20 paise (maximum limit) in the MYT Order. The Commission also observed that this increase from 15 paise/unit to 20 paise/unit will not be sufficient to make up for the shortfall in the Pension Trust. AEGCL should pursue with the GoA for release of sufficient funds to make up the shortfall in the Pension Trust.
 - iii. In view of the above, it is obvious that there is no scope for the Commission to do anything further in this regard. No provision in the Electricity Act, 2003, allows the Commission to issue directions for transfer of RoE to the Pension fund of power utilities. Also, there is no notification from the State Government regarding transfer of RoE and to what extent. Since, the three Companies APGCL, AEGCL and APDCL are Government Companies, ASEB Pension Fund should approach the State Government on this issue and not the Commission.
6. Hence, the miscellaneous application submitted and registered as Petition No. 6/2022 is not admissible.

Sd/-
(S.N. Kalita)
Member
AERC

Sd/-
(K.S. KRISHNA)
Chairperson
AERC