

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY  
COMMISSION SHIMLA**

**Petition No: 70 of 2022**

Instituted on: 21.10.2022

Heard on: 17.11.2022

Decided on: **28.01.2023**

The HP State Load Despatch Centre. through,  
Sh. Desh Raj (Superintending Engineer),  
SLDC Complex, Totu, Shimla.

..... **Petitioner**

Versus

The Stakeholders/ Objectors

.....**Respondents**

**Petition for approval of Capital Nature Schemes during the FY 2023-24 under the Himachal Pradesh State Load Despatch Centre (HPSLDC), Govt. of Himachal Pradesh, Totu, Shimla-11.**

**CORAM**

**DEVENDRA KUMAR SHARMA  
CHAIRMAN**

**YASHWANT SINGH CHO GAL  
MEMBER (Law)**

**SHASHI KANT JOSHI  
MEMBER**

Present:

For the Petitioner: Sh. Surinder Saklani, Ld.Counsel for the Petitioner  
alongwith Sh. DeshRaj, Superintending Engineer, HPSLDC  
in person.

**ORDER**

1. This Petition is filed by the HP State Load Dispatch Centre (hereinafter to referred to as the Petitioner) for approval of following two schemes for execution during the current Financial Year 2022-23:
  - a. Procurement of Microsoft-SQL Server Standard-2019 and Microsoft-Windows Server OS-2016 licenses for the purpose of official use in the HP

State Load Despatch Centre office, at Shimla. (Estimated cost: Rs. 36.93 Lakhs).

- b. Implementation of Information Security Management System (ISMs) and ISO-27001 Certification for HP State Load Despatch Centre, at Shimla. (Estimated cost: Rs. 33.55 Lakhs).
2. The Petitioner has paid the requisite fee as prescribed under the Conduct of Business Regulations as amended from time to time.
3. The Petitioner has made the following averments in its Petition:
- a) The Commission vide Clause No. 6.1.17 of the MTR Order dated 12th August 2021 had approved the Capital Expenditure for HP State Load Despatch Centre, as per detail given below:

Table: 1

Table 58: Approved Capital expenditure of FY21 to FY24 (Rs. Lakh)

Particulars	FY21	FY22	FY23	FY24
Enhancement of Real Time Data Acquisition System	0.00	0.00	25.00	25.00
Scheme Proposed Under State PSDF	0.00	40.00	205.00	250.00
Energy Accounting Systems	530.63	100.00	0.00	0.00
Offline Systems	0.00	0.00	5.00	0.00
Infrastructure Development	2.50	50.00	50.00	50.00
Integrated IT Solution (recoupling of State PSDF)	91.73			
<b>Total</b>	<b>624.86</b>	<b>90.00</b>	<b>285.00</b>	<b>325.00</b>

- b) The above schemes of CAPEX nature are submitted were submitted for approval and to be executed during the current financial year 2022-23. The necessity of execution of works envisaged under the above-mentioned schemes, mode of funding etc. is explained as follows:-
- (A) **Scheme-1: Procurement of Microsoft-SQL Server Standard-2019 and Microsoft-Windows Server OS-2016 licenses for the purpose of official use in the HP State Load Despatch Centre office, Shimla (HP)-171011.**

- (i). Under the SAMAST Framework in the HP State, a total of 215 number Interface Energy Meters (IEMs) along with allied Automatic Meter Reading (AMR) and Communication Interface were installed at 48 number different Intra-State interfacing locations within the HP State. The Energy data of these IEMs is now being communicated to the Central Data Collection System (CDCS) installed at HPSLDC Control Centre, Shimla and is archived in the 02 numbers dedicated Database Servers (16 cores on each server) under main and back-up configuration in an automated manner, also installed and commissioned under the SAMAST framework.
- (ii). For the purpose of archival of energy data received from various Intra-State interfacing locations, HPSLDC is presently using the Express version of the Microsoft-SQL Server standard database software license developed by the Microsoft to run small databases up to 10 GB of disk storage capacity with limited features and is free of cost. It is limited for use of one processor of any physical server, 1 GB Memory and 10 GB Database files. As such, with the present freeware SQL Server, full utilization of Hardware i.e. Database Server is not being achieved and the archiving of data files is to be performed manually on daily basis after the memory is full (10GB).
- (iii). The data size is also increasing day-by-day due to complexity in the operations of HPSLDC. For the purpose of unlimited data archival in an automated manner and for full utilization of the physical servers, there is need for procurement of MS-SQL Server Standard-2019 database software licenses. As the servers deployed for the purpose are having 16-Cores on each server, therefore, 08 number software licenses would be required (01 License is required for 02 cores of server).
- (iv). Further, presently, the website and portal of HPSLDC have been hosted on a single server, which is a 06 core server. For the purpose of ensuring the reliability and all-time availability of website and portal and achieving main and back-up configuration for website and portal of the HPSLDC, 03 numbers MS-SQL Server Standard-2019 software licenses would be urgently required. Server matching with the technical specifications of the existing server already deployed for the purpose is available with the HPSLDC. Also, 01 number MS-Windows Server-2016 operating system license is required for the back-up server.

- (v). **Budgetary cost estimate:** Total budgetary cost estimate for the proposed procurement of Microsoft Software licenses is approx. **Rs.36.93 Lakhs including applicable GST @18%.**

<b>COST ESTIMATE without taxes (GRAND TOTAL)</b>	<b>Rs. Lakhs</b>	<b>31.29</b>
<b>GST @ 18%</b>	<b>Rs. Lakhs</b>	<b>5.64</b>
<b>COST ESTIMATE with GST @ 18% on GRAND TOTAL</b>	<b>Rs. Lakhs</b>	<b>36.93</b>

- vi) . Detailed schedule of quantities and price schedule is as under:

Sr. No.	Description of item to be procured	Unit	Qty.	Per unit item rate excluding GST (Rs.)	GST @ 18% on Col.5 (Rs.)	Per unit item rate including GST (Rs.)	Total Amount (Col.4* Col.7) (Rs.)
1	2	3	4	5	6	7	8
1	Windows Server Standard Core-2016 OLP NL Gov. Core License. <i>(No. of Cores-16)</i>	No.	01	82,620.00	14,871.60	97,491.60	97,491.60
2	MS SQL Server Standard Edition-2019- OLP 2 License NL Gov. Core	No.	11	2,77,000.00	49,860.00	3,26,860.00	35,95,460.00

	License Qlfd. <i>(01 Licence for 02 cores of Server)</i>						
		<b>G. Total:</b>					<b>36,92,951. 60</b>
<p><b>08 Licenses are required for the Server deployed for hosting M-DAS application.</b>  <b>(16-Core Server).</b></p> <p><b>03 Licenses are required for the Server deployed for hosting HPSLDC website under main and back-up arrangement. (06 Core Server).</b></p>							
<p><b>Total inclusive of all taxes and duties Say Rs. 36.93 Lakhs (Rs. Thirty-Six Lakhs Ninety-Three Thousand only)(Delivery: F.O.R. Destination Up to Shimla)</b></p>							

**Note:** Necessary estimation has been done with reference to the budgetary offer submitted by M/s Innovative Secure Technologies Pvt. Limited, SCO-63, 2<sup>nd</sup> Floor, Sector-32C, Chandigarh vide letter No. ISTOL/ HPSLDC/ 2022/ 08, dated: 22.09.2022, submitted through their E-mail dated: 22.09.2022.

**The above rates are indicative/ for estimation purpose only. The final rates will be decided after issuing of letter of award to a successful bidder selected after exhausting a fair e- Tendering process through GeM Portal of Govt. of India/ e-Procurement Portal of HP State Govt. i.e. [www.hptenders.gov.in](http://www.hptenders.gov.in)**

**(vii). Prior approval of General Body of HP Load Despatch Society for execution of proposed Scheme:** Prior approval for procurement of 08 No. MS-SQL Server Standard database licenses, for amounting to **Rs. 26.00 Lakhs** has already been accorded by the General Body of the HP Load Despatch Society during its 13<sup>th</sup> General Body Meeting held on 11.05.2022 vide **Agenda item No. 3.6.1.**

**The increase in estimated cost has been arisen due to revision of schedule of quantities owing to the need for procurement of 03 No. additional MS-SQL database licenses for making main and back-up arrangement for Website and Portal of HPSLDC office and 01 No. additional MS-Operating System for Server and due to escalation of rates of items.**

- (viii). **Detailed Scheme/ Proposal:** A copy of detailed scheme/ proposal covering all the aspects regarding need for implementation, benefits of scheme, functioning of various components of scheme was submitted.
- ix). **Mode of Execution: Through contract:** The work will be awarded to a successful and well competent firm/ bidder selected after exhausting a fair e-Tendering process through GeM Portal of Govt. of India/ e-Procurement Portal of HP State Govt. i.e. [www.hptenders.gov.in](http://www.hptenders.gov.in)

**(B) Scheme-2: Implementation of Information Security Management System (ISMs) and ISO-27001 Certification for HP State Load Despatch Centre, Shimla (HP)-171011.**

- (i). The Ministry of Power (MoP), GoI vide letter dated 20.04.2022 and dated: 29.06.2022 and further CE (IT & CS), CEA & CISO-MoP, New Delhi through letter No. 176, dated 29.06.2022 has insisted the HPSLDC to implement Information Security Management System (ISMS) and ISO-27001 Certification immediately. Further, the CERT-GO, POSOCO through E-mail dated: 26.08.2022 has also requested HPSLDC office for submission of latest status on ISO 27001 implementation. Other various communications made by MoP, GoI& POSOCO on Cyber Security measures to be implemented by SLDCs.

In compliance to the directions of Ministry of Power (MoP), GoI it is necessary to implement Information Security Management System (ISMS) and to get ISO- 27001 Certification in the minimum possible time for ensuring the safety of information system of Power equipment which are critical in nature for Power System Operation.

- (iii). The estimate cost for the proposal is Rs. 33.55 Lakhs which includes all the Taxes viz. GST. The estimation has been done with reference to the cost as given by budgetary rates of M/s Center for Development of Advanced Computing (C-DAC) a Scientific Society of Ministry of

Electronics and Information Technology (MeitY), Government of India (GoI).

**Table:3**

Schedule of Quantity/ Price Schedule covered under the scheme is as follows:

Sr. No.	Description of Equipment	Qty	Unit price (In Rs.)	Total amount (Rs.)
1	2	3	4	5
1	<b>Phase-I Vulnerability Assessment including (as per scope)</b>			
	IT Infrastructure	1 Job	3,66,000.00	3,66,000.00
	OT Infrastructure	1 Job	4,55,000.00	4,55,000.00
	Web Application Audit	1 Job	2,00,000.00	2,00,000.00
2	<b>Phase-II</b>			
	ISMS Implementation & Preparedness	1 Job	11,64,000.00	11,64,000.00
3	<b>Phase-III</b>			
	ISMS Certification 2700001	1 Job	4,00,000.00	4,00,000.00
4	<b>Overheads @ 10% Contingencies/ Travel</b>	1 Job	2,58,500.00	2,58,500.00
	<b>Total (1 to 4)</b>			<b>28,43,500.00</b>
	<b>Additional GS @ 18%</b>			<b>5,11,830.00</b>
	<b>Grand Total (6+7)</b>			<b>33,55,330.00</b>
<b>Say Rs. 33.55 Lakhs (Rupees thirty -three lakhs fifty -five Thousand) only.</b>				
Note: The estimation has been done with reference to the cost as given by budgetary rates of M/s Centre for Development of Advances Computing (C-DAC) a Scientific Society of Ministry of Electronics and Information Technology (MeitY), Government of India (GoI).				
<b>The above rates are indicative for estimation purpose only. The final rates will be decided after issuing of letter of award to a successful bidder selected after exhausting a fair e-Tendering process through GeM Portal of Govt. of India/e-Procurement Portal of HP State Govt. i.e. <a href="http://www.hptendersgov.in">www.hptendersgov.in</a></b>				

- (3) **Prior approval of General Body of HP Load Despatch Society for execution of proposed Scheme:** The above-mentioned proposal of HPSLDC has also been duly approved by the General Body of HP Load Despatch Society for an estimated cost of **Rs. 33.55 Lakhs**, during its 13<sup>th</sup> General Body Meeting held on 11.05.2022 vide **Agenda item No. 3.6.1** of Minutes of Meeting (MoM).

- (4) **Proposed funding arrangement for execution of Schemes:** The funding of proposed scheme will be met through Debt: Equity ratio of 70%:30% as per approval conveyed by the Hon'ble Commission under Clause No. 6.3.3 of the MTR Order dated: 12.08.2021. The abstract of approved funding for the 4<sup>th</sup> MYT Control Period is as under:

Schemes	Approved Funding
Enhancement of Real Time Data Acquisition System (URTDMS)	Grant -100%
Schemes under State PSDF	Grant-100%
Integrated IT Solution(Re-coupling of PSDF for SMAST in FY 2020-21)	Debt-70%; Equity-30%
Energy Accounting Systems-SMAST (except Rs. 397.68 Lakh)	Grant-100%
SAMAST Scheme (Rs. 397.68 Lakh)	Debt-70%; Equity-30%
Offline Systems	Debt-70%; Equity-30%
Miscellaneous	Debt-70%; Equity-30%

Total estimated cost of Schemes: Rs. 70.48 Lakhs

70% Loan amount i.e. Rs. 49.33 Lakhs,

{To be arranged by availing a term loan from HP State Co-operative Bank Limited, Totu Branch, Tehsil & Distt. Shimla (Floating ROI @ 7.70% per annum), in view of the decision taken in the 13th General Body Meeting of the HP Load Despatch Society held on dated: 11.05.2022 under the Chairmanship of the ACS (Power), to the Govt. of HP-Cum-Chairman, HPLDS, Appendix-3(CP: 13 to 14)}

30% Equity amount: Rs. 21.15 Lakhs,

(To be arranged through Load Despatch Centre Development Fund maintained by the HPSLDC).



**(5) Additional submissions of the Petitioner**

The arguable points as referred to in the Admission Order dated 17.11.2022 in this Petition were discussed with the Petitioner. The Petitioner has in its Affidavit dated 15.12.2022 submitted the following information:

(i) Scheme-1: Procurement of Microsoft-SQL Server Standard-2019 and Microsoft-

Windows Server OS-2016 licenses for the purpose of official use in the HP State Load Despatch Centre office, at Shimla (HP).

1 Submission of offer of HP State Electronics Development Corporation, Shimla for supply of software licenses.

Reply of HPSLDC: The HPSLDC, through E-mail dated 30.11.2022 requested HP State Electronics Development Corporation, GoHP, Mehli, Shimla to submit a budgetary offer for supply of software licenses and also contacted the concerned officer telephonically for submission of offer. It was informed HPSEDC that the tendering for supply of IT Hardware/ Software from various IT firms is under progress; and, the rates could not be quoted by them till finalization of rates of software licenses.

However, SLDC has again obtained the budgetary offers from 03 different IT firms including OEM of software licenses i.e. Microsoft. M/s HTIS Telecom Private Limited, E-94, Phase VIII, Industrial Area, Mohali (Punjab)-160071 has submitted the L1 rates among all the firms, which is amounting to Rs. 35,39,666.00 in total(Inclusive of all taxes & duties and installation charges).

2 Validity of the software licences.

Reply of HPSLDC: The procurement of software licences covered under scheme-1 is one-time purchase and validity of licenses is lifetime and moreover, no renewal of licenses is required during their usage at any point of time.

3 Routine maintenance/ upgradation cost of licenses.

Reply of HPSLDC : No maintenance/ upgradation cost is involved during the usage of software licences at any point of time.

(ii) Scheme-2: Implementation of Information Security Management System (ISMs) and ISO-27001 Certification for HP State Load Despatch Centre, Shimla (HP)-171011.

1 Budgetary offer/ quotation of other agencies.

Reply of HPSLDC: The HPSLDC had requested M/s Maverick Quality Advisory Services Pvt. Limited, 123, Radhey Shyam Park, Sahibabad-201005, New Delhi(A CERT-IN empanelled agency) for submission of their budgetary offer for:

- a. Security Audit IT & OT - VAPT Desktop Laptop Router Firewall etc. (Vulnerability Assessment and Penetration Testing).
- b. Consultancy for ISO-27001 Certification Service (ISMS Implementation, Certification, Surveillance 1 & 2 of ISO 27001:2013).

The above-mentioned firm through E-mail dated: 06.12.2022 has submitted the requisite estimated offer as per schedule of quantities and price schedule given below:-

Sr. No.	Description of work/ job	Unit	Qty.	Total Amount without GST (Rs.)
1	Security Audit IT & OT - VAPT Desktop Laptop Router Firewall etc. (Vulnerability Assessment and Penetration Testing). (Total Man-days: 27 days approx.)	Job	01	16,78,400.00
2	ISO Certification during 1 <sup>st</sup> year	Job	01	4,80,000.00
3	Surveillance-1 Audit (Renewal of ISO:27001 certification) for 2 <sup>nd</sup> year.	Job	01	1,60,000.00
4	Surveillance-2 Audit (Renewal of ISO:27001 certification) for 3 <sup>rd</sup> year.	Job	01	1,60,000.00
Sub Total:				24,78,400.00
Add GST @18% on Sub Total				4,46,112.00
G. Total:				29,24,512.00

The above rates are inclusive of all costs towards appropriate manpower to complete the job, transportation charges of manpower, Boarding and Lodging charges for manpower at Shimla etc.

- 2 Cost of ISO:27001 certification, and subsequent costs to be incurred for renewal of same.

Reply of HPSLDC : The cost of certification during 1st year and its renewal for further 02 years (Surveillance-1 for 2nd year and Surveillance-2 for 3rd year) has been included in the budgetary offer submitted by the firm, as above.

Others:

- 1 Rate of interest for availing term loan (70% Debt portion) from the HP State Co-operative Bank Limited, Totu, Shimla and total interest on loan.

Reply of HPSLDC: The total estimated cost to be incurred on the proposed schemes as per revised offers is as under:

Scheme-1: Rs. 35.40 Lakhs

Scheme-2: Rs. 29.25 Lakhs

Total: Rs. 64.65 Lakhs (70% Debt portion: Rs. 45.25 Lakhs)

It is intimated that in compliance to this office letter of even file No. 8330-31, dated: 08.12.2022, the Manager, HP State Co-operative Bank Ltd. Totu branch, Shimla through E-mail dated: 13.12.2022 has confirmed that the ROI of 7.05% per annum on the term loan for a period of 03 years. The amortization schedule submitted by the above-mentioned bank indicating interest and principal amount to be paid for a period of 03 years towards loan amounting to Rs. 45.25 Lakhs is also provided.

30% equity portion amounting to Rs. 19.40 Lakhs(30% of Rs. 64.65 Lakhs i.e. total cost of schemes) will be arranged by the HPSLDC from Load Despatch Centre Development Fund.

It is confirmed that sufficient funds are available in the LDCD Fund Account (Rs. 40.46 Lakhs) as on 14.12.2022 maintained by the HPSLDC in the State Bank of India, Totu Branch, Shimla. In addition to above, a sum of Rs. 120.00 Lakhs is lying in the SBI, Totu Branch, Shimla in the shape of FDRs.

- 2 Extent of bank charges levied by the HP State Co-operative Bank Ltd. Totu Branch, Shimla and Moratorium period.

Reply of HPSLDC: It is intimated by the branch manager of the above-mentioned bank that no bank charges are being charged from the

HP State Govt. departments, as such the bank charges for the instant case shall be NIL. About moratorium, the Manager, HPSTCB Ltd. Totu Branch, Shimla intimated that a moratorium period of 06 months and 12 months can be availed by the prospective entity seeking loan from the bank, but the entity is required to pay interest during the moratorium period.

HPSLDC proposes for availing of loan from the bank after issuing award of work (s) proposed under the scheme, as per requirement to avoid levy of interest on loan un-necessarily.

### 3 Nature of Schemes.

Reply of HPSLDC: It is submitted that both of the proposed schemes are of Capital nature and it is confirmed that in future, the intimation regarding replacement/ discarding/ condemnation of associated hardware will be conveyed to the Hon'ble Commission by the HPSLDC.

It is further intimated that the proposed schemes submitted by the HPSLDC have not been covered in the CAPEX approved by the Hon'ble Commission during the 4th MYT Control Period i.e. FY: 2019-20 to FY: 2023-24.

The submitted schemes may kindly be considered as additional CAPEX during the said Control Period, please.

### 4 Justification of estimated cost.

Reply of HPSLDC: The tentative cost of the proposed schemes has been taken by the HPSLDC with reference to the budgetary offers submitted by the different IT firms. The award of works/ purchase orders will be issued by the HPSLDC in favour of the successful/ qualified bidders selected through e-Procurement Portal of the HP State Govt. i.e. [www.hptenders.gov.in](http://www.hptenders.gov.in) or GeM Portal of Govt. of India. The final award value may be increased/ decreased after a healthy competition among prospective bidders participating in the tendering process.

### 5 Detail of Capital Expenditure already approved by the Hon'ble Commission and its utilization by the HPSLDC:

Reply of HPSLDC: The Hon'ble Commission in the MTR Order of HPSLDC dated 12.08.2021 had approved the revised CAPEX for HPSLDC, as per detail given below:

Particulars	FY21	FY22	FY23	FY:24
Enhancement of Real Time Data Acquisition System	0.00	0.00	25.00	25.00
Scheme Proposed Under State PSDF	0.00	40.00	205.00	250.00
Energy Accounting Systems	530.63	100.00	0.00	0.00
Offline Systems	0.00	0.00	5.00	0.00
Infrastructure Development	2.50	50.00	50.00	50.00
Integrated IT Solution (Recouping of State PSDF)	91.73	-	-	-
Total	624.86	190.00	285.00	325.00

The upto date utilization of CAPEX (As on 15.12.2022) by the HPSLDC is as under:-

Particulars	CAPEX utilized (Rs. Lakhs)
Enhancement of Real Time Data Acquisition System	0.00
Scheme Proposed Under State PSDF	196.21
Energy Accounting Systems (SAMAST) (Excluding funds arranged through State PSDF)	585.52
Offline Systems	0.00
Infrastructure Development	16.27
Integrated IT Solution(recouping of State PSDF)	91.73
G. Total:	889.43

01 No. scheme for addition/ alteration of existing control room building of HPSLDC at Totu, Shimla for an estimated cost of Rs. 66.42 Lakhs under Infrastructure development head has already been submitted to the Hon'ble Commission.

6 Depreciation for software licenses.

Reply of HPSLDC: As per Appendix-II (Depreciation schedule) of the Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011, the depreciation and Salvage value for software is 30% and 10% respectively. It is, therefore, requested that the approved depreciation may kindly be considered towards Scheme-1 i.e. Procurement of Microsoft-SQL Server Standard-2019 and Microsoft-Windows Server OS-2016 licenses for the purpose of official use in the HPSLDC, at Shimla.

7 Mode of financing of Schemes:

The funding of proposed scheme will be met through Debt: Equity ratio of 70%:30% as per approval conveyed by the Hon'ble Commission under Clause No. 6.3.3 of the MTR Order dated 12.08.2021. The abstract of approved funding for the 4th MYT Control Period is as under:

Schemes	Approved Funding
Enhancement of Real Time Data Acquisition System (URTDMS)	Grant-100%
Schemes under State PSDF	Grant -100%
Integrated IT Solution(Recoupling of PSDF for SAMAST in FY 2020-21)	Grant – 100%
Energy Accounting Systems-SAMAST(except Rs. 397.68 Lakh)	Debt-70%; Equity – 30%
SAMAST Scheme (Rs. 397.68 Lakh)	Grant – 100%
Offline Systems	Debt-70%;Equity – 30%
Infrastructure Development	Debt- 70%; Equity – 30%
Miscellaneous	Debt – 70%; Equity – 30%

6. **Commission's Analysis:-**

After examining and analysing the Petition and the additional submissions made by Petitioner, the Commission is of the view that cost in both the schemes are part of Licence fee and Certification fee and be considered as part of the O&M expenditure. The HPERC (Levy and Collection of Fees and Charges by SLDC), Regulations, 2011, 19(1)(d) covers such type of expenditure.

In view of our aforesaid discussion and findings, the Commission grants approval to both the proposed schemes of the Petitioner for execution at a provisional cost of Rs. 64.65 lacs as part of O&M expenditure subject to true up at the time of filing the ARR/True-up Petition.

The file after needful be consigned to records.

**Announced**

**28.01.2023**

-Sd-	-Sd-	-Sd-
<b>(Shashi Kant Joshi)</b>	<b>(Yashwant Singh Chogal)</b>	<b>(Devendra Kumar Sharma)</b>
<b>Member</b>	<b>Member(Law)</b>	<b>Chairman</b>