

**Central Electricity Regulatory Commission  
New Delhi**

Coram: Dr. Pramod Deo, Chairperson  
Shri S. Jayaraman, Member  
Shri V.S. Verma, Member

Petition No.: 200/MP/2011

Date of Hearing: 22.12.2011

Subject: Miscellaneous petition under Regulations 24 read with Regulation 111 of the Central Electricity Regulations Commission (Conduct of Business) Regulations, 1999 and Regulation 29, Power to Relax of the Central Electricity Regulations Commission (Fee and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009

Petitioner: Power System Operation Corporation Limited, New Delhi.

Respondents: Uttar Pradesh Operation Corporation Limited and others

Parties present: Shri R.K. Bansal, POSOCO  
Shri Ravi Shankar, POSOCO  
Shri S.K. Sonee, POSOCO  
Shri Hemant Pandey, NCA  
Shri S.R. Narasimhan, POSOCO  
Shri S.S. Barpanda, POSOCO  
Shri Jyoti Prasad, NRLDC  
Shri Vikalp Vats, JNWEA  
Shri Manoj Dubey, Advocate for MPPTCL

**RECORD OF PROCEEDINGS**

The representative of the petitioner submitted that as per the directions of the Commission in Record of Proceedings, dated 1.11.2011, a copy of the petition was served on all the respondents. Reply to the petition was filed by NTPC, UPPCL and MPPTCL. The representative of the petitioner has submitted that there is a gap between the HR expenses approved by the Commission and actual HR expenses and as a result the petitioner is having cash flow problems. To overcome these problems of cash flow the petitioner has filed the instant Miscellaneous Petition seeking relaxation of Regulation of 9 (2) of the RLDC Fees and Charges Regulations 2009 to allow utilisation of other income of the RLDCs and NLDC deposited in the LDC Development Fund to meet the shortfall in the HR expenses subject to the truing up after expiry of the control period. It was also submitted that there would not be any extra burden on the beneficiaries because of this. The representative of the petitioner also submitted that the

charges on account of return on equity, depreciation and interest on RLDC loan and other income is being transferred to the LDC Development Fund after payment of income tax. Its statutory auditors have directed it get the approval of the Commission for deducting income tax payment from LDC Development Fund as the Regulation in this regard are not specific.

2. The learned counsel for MPPTCL submitted that the petitioner has not filed the Board's approval for filing the petition, the Auditor's Certificate, its Balance Sheet, the amount that is sought to be diverted from the LDC Development Fund, etc. It was also submitted that the LDC Development Fund is created for a special purpose and the Fund should be used only those special purposes and it should not be used to meet the petitioner's HR expenses. Referring to the directions issued by Department of Public Enterprises regarding revision of scales of pay it was submitted that if the petitioner is not able to afford increased HR expenses it should not increase the wages.

3. The representative of the petitioner submitted that RLDCs and NLDC have been entrusted with special responsibilities and they are expected to perform those functions in an impartial manner for which they need financial autonomy. He submitted that if the petitioner is not allowed to utilise the LDC Development Fund it may have to borrow from banks for which interest has to be paid which would be an additional burden on the beneficiaries. He submitted that relaxation of Regulations is sought only to meet the cash flow problems which would be taken care by truing up at the end of the tariff period.

4. The Commission directed the petitioner to provide the information sought by the learned counsel for MPPTCL to all the respondents, before 31.1.2012, who may file their reply, if any, by 15.2.2012. The rejoinder, if any, by the petitioner may be filed by 29.2.2012.

5. Order in the petition was reserved.

**By order of the Commission**

Sd/-  
(T. Rout)  
Joint Chief (Law)  
18.1.2012